Daily Report

Central Eurasia

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Russia: Federal Troops Shell Chechen Guninen in Bamut Settlement

LD0103112096 Moscow INTERFAX in English 1101 GMT 1 Mar 96

[FBIS Transcribed Text] MOSCOW, Mar 1 (Interfax) — Russian federal troops have been bombing and shelling the highland settlement of Bamut and its suburbs, in western Chechnya, for the past two days. The settlement houses a strong group of supporters of Chechen rebel leader Dzhokhar Dudayev, Ingush Vice President Boris Agapov told Interfax Friday.

"The permanent rumble of shelling can be heard in Ingush villages" located not far from Bamut, said Agapov.

"A bomb, possibly dropped by a SU-25 plane," exploded on February 29 on the outskirts of the Ingush village of Arshty, close to Bamut, he said.

Russia: Bomb Strikes Outskirts, Not 'Central Part' of Arshty

LD2902175996 Moscow ITAR-TASS in English 1700 GMT 29 Feb 96

[FBIS Transcribed Text] NAZRAN, February 29 (Itar-Tass) — The rocket and bomb strike reported from Ingushetia earlier hit not the central part of the village of Arshty but an area on its outskirts, sources in the village told Itar-Tass.

The Ingush president's senior spokesman Kureish Agasiyev admitted that, saying to Itar-Tass:

"The centre of the village has not been hit by the strike indeed. I have been hasty to report the shelling."

Russia: Ingush Official Denies Air Strike Against Arshty

LD2902184396 Moscow ITAR-TASS in English 1835 GMT 29 Feb 96

[By Ruslan Maisigov]

[FBIS Transcribed Text] NAZRAN, February 29 (Itar-Tass) — Ingushetia's prosecutor Valentin Volvach bluntly denied the report of the Ingush president's press service that a rocket and bomb air strike was made at midday Thursday on the village of Arshty, five kilometers from the border with Chechnya.

"There have not been any shellings of the Arshty village today," Volvach said in an interview with Itar-Tass.

"There are no and there may not be any shellings of Arshty because public attention has been focused on this residential area over the last days," he said.

An official of the Russian Military Prosecutor's Office, Georgiy Cherskhikh, now probing into deaths of civilians and the military near Arshty a week ago, also denied that the village was attacked today.

Meanwhile, Ingush Interior Ministry officials told Itar-Tass that the air strike did take place, although it was not on Arshty but on an area between Arshty and the Chechen village of Bamut.

The strike left wounded an Arshty villager, Umar Tochiyev, who was gathering mountain spring onion in the woodland near the village.

He was taken to the Sunzhenskaya district hospital.

The Ingush president's senior spokesman Kureish Agasiyev, who has reported the air strike, admitted: "The centre of the village has not been hit by the strike indeed. I have been hasty to report the shelling".

Russia: Defense Ministry Denies Helicopters Fired on Arshty

LD2902231196 Moscow INTERFAX in English 2257 GMT 29 Feb 96

[FBIS Transcribed Text] MOSCOW, Feb 29 (Interfax) — Moscow has denied that Russian helicopters on Thursday strafed the outskirts of a village in the Russian republic of Ingushetia.

Earlier the Ingush president's spokesman Kureish Agasiyev said a helicopter, which had come from the vicinity of the Chechen village of Bamut, opened fire on an area near the Ingush village of Arshty, injuring one person.

A Russian Defense Ministry spokesman told Interfax that not a single Russian helicopter had flown over Ingushetia.

By 8:00 p.m. on Thursday "not a single shell from the ammunition supplies of the helicopters" had been used, the spokesman said.

Russia: Deputy Wants General Held Responsible for Arshty Attack

LD2902212996 Moscow INTERFAX in English 1740 GMT 29 Feb 96

[FBIS Transcribed Text] MOSCOW, Feb 29 (Interfax) — Either the commander of the 58th Russian army General Gennadiy Troshev or the top military leaders who gave the orders should be held responsible for the attack on the village of Arshty in Ingushetia on February 23 when civilians were killed and wounded, Russian Duma member Viktor Kurochkin told a Thursday news

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conference in Moscow after a visit to Ingushetia where he conducted his own investigation into the attack.

He said four civilians were killed, 10 wounded and four are missing in Arshty.

The independent deputy believes that the movements of heavy armored vehicles of the 58th army across Ingushetia, and the artillery and air attacks that followed, were a crude violation of the Russian constitution and law.

Kurochkin believes the top military command violated the law on defence, which says "troops shall be transferred by the Defense Ministry with the agreement of appropriate government bodies".

The deputy said the law on the state of emergency was also broken because it states "the rights and liberties of citizens shall be restricted only in the event of a state of emergency being introduced in a concrete region on the basis of a presidential decree".

Russia: Report of Chechen Fighters' Movement Denied

LD0103063996 Moscow Mayak Radio Network in Russian 0500 GMT 1 Mar 96

[FBIS Translated Text] Pavel Guskov, correspondent for the North Caucasus reports over the telephone that he had just learned from reliable sources in the internal affairs department of the Stavropol Territory and the Federal Security Service in the Caucasian Special Border District that the report that three trucks carrying militants moving north from Chechnya through the Nogay steppe in not true.

He explained that at about 1300 yesterday shepherds in this area had seen one truck, and then a second and third one, at a fairly long distance without being able to specifically discern who was in them and what they were transporting. Nevertheless, the shepherds notified the law enforcement bodies. The report which had come in here at about 1400 was carefully checked, helicopters were scrambled, but the report was not confirmed. "According to information I have just received all outposts of the Caucasian Special Border District along the entire perimeter of the administrative border with Chechnya is calm."

Russia: Border Troops To Continue Sealing Chechen Border

LD2902204096 Moscow ITAR-TASS in English 2007 GMT 29 Feb 96

[By Boris Kipkeyev]

[FBIS Transcribed Text] BREST, February 29 (Itar-Tass) — Russian border troops sealing some stretches of Chechnya's administrative border will continue to do so until there is stability in Chechnya, Federal Border Service director Andrey Nikolayev told Itar-Tass.

Addressing a CIS conference of border troop commanders here today, Nikolayev said the task of border troops was not to guard the administrative border of Chechnya but block specific sections of it to bar Chechen rebel factions from infiltration and smuggling of arms into Russia.

Russia: Dudayev Spokesman Warns of 'Massive Attacks'

LD2902173796 Moscow Radiostantsiya Ekho Moskvy in Russian 1600 GMT 29 Feb 96

[FBIS Translated Text] Russian Air Force attacks on localities in Vedeno, Achkoy-Martan, and Nozhay-Yurt districts are continuing, Movladi Udugov, minister for press and information of the Dzhokhar Dudayev government, told our radio station. He said there were civilian casualties. He also said that Dudayev had chaired the sitting of the defense committee last night.

[Begin Udugov recording] The Chechen side has learned that a decision in principle has been taken on carrying out massive attacks and using force practically in all of Chechnya. A decision has been taken to bring considerable physical destruction to a number of localities of the Chechen Republic and to the Chechen population. The purpose of this is to force upon the Chechens the subordination to the occupation power in Groznyy and make them go to the occupation authorities for food, money to survive, and restoration of their destroyed lodgings. [end recording]

Russia: Grachev: Chechen 'Bandits' Must Be 'Destroyed'

LD2902180496 Moscow ITAR-TASS World Service in Russian 1607 GMT 29 Feb 96

[By ITAR-TASS correspondent Anatoliy Starukhin]

[FBIS Translated Text] Voronezh, 29 Feb (Itar-Tass) — Russian Defense Minister Pavel Grachev today declared himself to be a supporter of harsh measures against the Dudayevite militants in Chechnya.

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"I stand firmly on the position that there can only be one way of talking to bandits — they must be destroyed. Basayev, Raduyev, Dudayev, and other bandits who have blood on their hands cannot escape retribution." The defense minister who is visiting Voronezh said this today when he addressed servicemen and their families at a new military settlement.

Speaking about Chechnya, Grachev expressed regret that "unfortunately, we have not yet managed to put an end to this breeding ground of terrorism."

The minister also noted that he "fully agreed with Russian President Boris Nikolayevich Yeltsin that it is necessary to seek new approaches to resolving this problem."

Russia: Chechen Truce Talks Held in Shelkovskiy District

LD0103093996 Moscow Russian Television Network in Russian 0800 GMT 1 Mar 96

[By correspondent Y. Malinovskaya; from the "Vesti" program]

[FBIS Translated Text] The possibility of bringing an end to the armed confrontation was discussed at talks on reconciliation in Shelkovskiy District of Chechnya on Thursday [29 February]. Doku Zavgayev, the head of the Chechen Republic; Vyacheslav Tikhomyrov, the commander of the joint grouping of federal forces; and the heads of settlement councils in Shelkovskiy District agreed to sign an agreement similar to the one signed in Shatoy. Thanks to the agreement signed in Shatoy in February relative peace prevails there.

Russia: Zavgayev Says Peace Agreement 'Premature'

LD0103111896 Moscow INTERFAX in English 1016 GMT 1 Mar 96

[FBIS Transcribed Text] Groznyy, Mar 1 (Interfax) — Moscow-backed leader of the Chechen Republic Doku Zavgayev decided that it would be premature to sign a peace and concord agreement in the Shelkovskaya District, his press secretary Ruslan Martagov reported.

This decision came after talks with heads of village administrations, elders and Cossack representatives of the Shelkovskaya District that took place in the village of Chervlonnaya Thursday.

Zavgayev asked the administration heads to talk to the villagers again and say within a week what guarantees they can provide that the agreement will be honored, Martagov said.

Martagov recalled that a similar agreement had been signed with the administration of the Novogroznesky settlement, but had never been honored. Federal troops had to be sent to expel separatist fighters from the settlement, he added.

General Vyacheslav Tikhonov, commander of federal troops in Chechnya, attended the meeting in Chervlyonnaya, Martagov said.

A peace and accord agreement, under which part of the federal troops are withdrawn, checkpoints are removed and the Chechen police maintain law and order, has been signed only with the Shatoy district, Martagov said. The district is 100 percent quiet now, he emphasized.

Russia: MVD Registers 24 Crimes in Chechnya

LD0103080896 Moscow ITAR-TASS in English 0755 GMT 1 Mar 96

[FBIS Transcribed Text] Groznyy, March 1 (Itar-Tass) — Officers of the Russian Interior Ministry [MVD] registered 24 crimes on the territory of the Chechen Republic on Thursday, including two murders and four armed attacks, a spokesman for the press bureau of the Russian Interior Ministry in Chechnya told Tass by telephone. Areas of deployment of Interior Ministry troops were brought under fire ten times by Dudayev gunmen. They were especially active in the Zavodskoy District of Groznyy and in the area adjacent to the Severny airport.

A group of Dudayev gunmen in six cars fired at an armoured vehicle of one of the rapid-deployment detachments of the Russian Interior Ministry. They used automatic weapons and a grenade launcher. As a result of the shooting, three gunmen were killed, and the rest retreated. An Interior Ministry officer was wounded.

Russia: Changes in Chechnya's Oil Complex Viewed

MM0103100196 Moscow ROSSIYSKAYA GAZETA in Russian 29 Feb 96 pp 1, 2

[Article by Aleksandr Velichenkov: "Doku Zavgayev's 'Secret' Move?"]

[FBIS Translated Text] It would appear that the new Chechen leader is certainly not adopting the best decisions in the competition for the transit of oil from the Caspian. Looming on the horizon is the problem of managing the oil complex in the face of the possible abolition of the recently formed Southern Oil Company.

Let us recall the story — Groznyy's oil refineries have a capacity that exceeds the volume of oil extraction in the country many times over. The Chechen economy as a

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whole is 80-85 percent dependent on the extraction and processing of oil. In 1995 more than 600,000 tonnes of oil were extracted, of which 550,000 tonnes were exported. The Chechen oil complex is the locomotive that should haul the republic economy out of crisis.

With this aim in mind the federal authorities set up YUNKO — the Southern Oil Company — in Chechnya. It must be acknowledged that the war has bypassed the oil complex' principal facilities — the infrastructure, the pipelines, and the oil refineries themselves are all intact. The importance of these facilities for the republic is recognized by everyone — by both the gunmen and the Russian troops. It was this that enabled YUNKO, which was set up on the vertically integrated model, to begin working effectively. The major Russian oil companies work according to this same model, from the oil well to the gas pump.

YUNKO's role in the competition for the transit of Caspian oil is highly promising. It was not in vain that the Turkish press described this event as "a crucial step by Moscow."

YUNKO was formed as a unitary state enterprise, entirely under federal ownership. This legal status was reinforced by the Russian Federation president's edict of 4 October 1995 "On Measures to Develop the Enterprises of the Chechen Republic's Oil Complex," in accordance with which Chechnya received highly substantive privileges by comparison with existing legislation, and by Russian Federation Government decree No. 89 of 2 February 1996 on the same topic. It would seem that everything is clear — extraction and processing must be increased, jobs created, and wages paid. After all, the more well-fed families there are, the less gunmen there will be.

But this is where things start getting incomprehensible. A few days before the adoption of the aforesaid government decree (it had already been signed by all parties and included on the agenda) [Russian Fuel and Power Engineering Minister] Yu. Shafranik issued an order expressing thanks to YUNKO President Ziye Bazhayev, and the latter promptly resigned "at his own request." Well, well, nothing unusual about this. Cadre reshuffles in conditions of an armed conflict are perfectly understandable. Especially since the federal government considers it necessary "to appoint YUNKO's administrative organs...by agreement with the Chechen Republic executive organs."

Four days later things started getting unusual and inexplicable, when D. Zavgayev signed an edict on the structure of the Chechen Ministry of Industry, in which the YUNKO structure had disappeared. Disappeared altogether, as if it had never been, as if the Russian Federation president's edict had never been, nor the Russian Federation government decree.

Yu. Shafranik, Russian Federation minister of fuel and power engineering, replied to our request for a comment on the situation regarding YUNKO as follows:

"I am not quite ready to do so, since I have not yet met with Doku Zavgayev. From our point of view, the vertically integrated company was the best option; all sides helped to get it off the ground. Other options? They are possible, and this must be decided by the republic leadership. We will resubmit the option which we consider best. But we will not insist on having our own way. And you understand why...."

Another highly placed official close to the Chechen administration, who wished to remain anonymous, believes that there are two reasons for the breakup of YUNKO. First, someone has misled Zavgayev, for he is not very strong on "oil" questions. After all, Zavgayev is a product of the agricultural sphere, whereas his predecessor S. Khadzhiyev was a child of the fuel and energy complex. Second, the current head of Chechnya wants to appoint his own people in this key sector for the region.

"YUNKO took a whole year to set up," our source clarified, "and Khadzhiyev invited the influential entrepreneur E. Bazhayev to run it. The plan was to get the republic's pipelines working at full capacity, bringing the republic significant revenue. For this purpose understandings were reached with the federal Transneft company that the chief of the Chechen sector of the arterial oil pipleine was to be apointed by Transneft by agreement with YUNKO. Now that an arterial pipelines enterprises has been set up within the Chechen Ministry of Industry, these understandings are a dead letter, and the federal authorities are losing control over the pipeline and the transit of Caspian oil."

Will Russia be able to guarantee the North Caucasus route for Caspian oil under these conditions? Our interlocutor did not give a direct answer, but suggested that the pipelines would remain under Transneft's control. He considers that the immediate consequence of Zavgayev's innovation would be that Chechnya would lose its own petroleum products market:

"Without YUNKO Zavgayev will not be able to stop the possible expansion of the vertically integrated giants, as is now happening in Tatarstan. The republic will lose revenue."

In short, it is impossible to give a rational explanation for what has happened. What sense is there in breaking fine-tuned and efficient mechanisms, especially in violation of the federal authorities' decision?! But it would

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appear that there are subjective causes all the same. The links in the oil complex chain — extraction, transportation, processing, and sales — will henceforth be broken and will be centered around the Chechen Ministry of Industry's republic apparatus, which has yet to be created. And this means that the republic leadership will have additional levers of influence on the major Chechen clans in view of the posts that will have to be filled both in the apparatus and in enterprises. Only this does not take account of the increase in the number of aggrieved and discontented people dismissed from YUNKO structures.

It must be admitted that such a policy is not new. The sense in such an approach to the oil complex is obvious: To prevent the formation of companies independent of the local authorities and capable of performing major tasks autonomously; to bring the oil complex under the jurisdiction of the local administrative pyramid; and, by using the argument of internal manageability, to bargain for special regional privileges from the center.

In 1993-1994 this was probably necessary for certain republics, but what is the sense in doing all this in Chechnya now, seeing that unprecedented privileges of every kind have already been obtained under the edict of 4 October 1995?

Objectively, the abolition of YUNKO deals a serious blow to Russia's position in the battle for Russian oil transit. This is dictated by the fact that it is a simpler and more familiar matter for international business to deal with structures similar to itself and whose interests are well defined. Changing functionaries, ministries, and governments often results in severe setbacks for accords under negotiation. The Chechen war is already the major source of problems in Russia's relations with the Caspian pipeline consortium: It is precisely for this reason that other, more expensive, but safer options for transporting Caspian oil are being examined. YUNKO's work would be a weighty argument in favor of a new pipeline, the future revenue from which both Chechnya and Russia risk losing as a result of such impulsive actions.

Russia: NDR Deputies' Visit to Chechnya Viewed

MM0103160296 Moscow ROSSIYSKIYE VESTI in Russian 1 Mar 96 pp 1-2

[Report by Andrey Karavayev: "Caucasus Trap. Group of NDR Deputies Visits North Caucasus. Its Recommendations Could Help President Resolve Chechen Problem"]

[FBIS Translated Text] It is well known that a government commission was set up on the president's initiative with the task of selecting the most acceptable way to a peace settlement. Almost straightway a representative delegation of State Duma deputies for the NDR [Russia Is Our Home] headed by Sergey Belyayev, the faction's leader, set out on a long, 11-day tour of the North Caucasus. It seems that the young NDR movement, which has openly announced that it will support Boris Yeltsin in the upcoming presidential election, is already taking practical steps to ensure that the current president is dealt serious trump cards in the upcoming political game with his rivals.

The path of the deputies' group led not only to the Chechen Republic itself but also through all the republics and krays bordering Chechnya. For practically all of them are suffering in different ways from the fact that war is being waged nearby.

To all appearances, the discussion about what the group of NDR deputies brought back from this grueling tour is still to come. One thing is clear at present: The deputies' recommendations will undoubtedly be taken into account by Viktor Chernomyrdin's government commission. Particularly as it also includes a very influential representative of the NDR — Vladimir Zorin, chairman of the State Duma Committee for Nationalities Affairs, who in the recent past was first deputy leader of the federal territorial organs in the Chechen Republic.

ROSSIYSKIYE VESTI's correspondent accompanied the deputies on this trip. I would like briefly to share my thoughts on it.

Who Goes to Chechnya and Why?

Konstantin Borovoy has already been repeatedly to the Chechen Republic. Minor successes on a strictly local scale — the release of three or four captured soldiers — have brought him popularity. This is right — even one life saved is worth a lot. It bolsters the deputy's image. But the main question of whether Deputy Borovoy is capable of seriously influencing the ending of the war remains purely rhetorical. For this it is necessary to make use of serious political influence on both sides of the front.

Other State Duma deputies have also traveled to Chechnya. Their anxious speeches have been heard quite frequently in the auditorium and during news conferences in the State Duma. But they were purely emotional speeches which did not provide serious food for thought as to **how** this war can be stopped, by means of **what decisions**.

I remember during the tour a discussion between Sergey Belyayev, leader of the NDR faction, and one of the local "peacekeepers," who was campaigning for the federal troops' immediate withdrawal. In response to Belyayev's direct question about the fate that awaits

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Chechnya's Russians the peacekeeper ingenuously said: There will be no mass slaughter. Does this mean that it is perfectly admissible if it is not mass slaughter? What is meant by mass slaughter: a few dozen people, 1,000, 10,000?

This is why initiatives like the one displayed by Nizhniy Novgorod Governor Boris Nemtsov appear just as lightweight. The problem is not one of collecting signatures calling for the war in Chechnya to be halted — Boris Yeltsin himself is ready to put his name to this appeal. The problem is how to do this competently. But the president's present opponents do not seem very strong on political competence — they studied from the wrong primers.

On this plane the NDR deputies' tour appeared an exception to the rule. The people of power, the so-called party of power, which was at once nick-named the "presidential faction" in the State Duma after the NDR supported the present Russian Federation president, traveled out to the hottest region in Russia.... I am convinced that this attests to a great deal. Primarily to the fact that the plenipotentiary representatives of the president and of the leader of the government were seeking a realistic reply to this question: How is the war in Chechnya to be ended? Not that this prevented them from resolving other, more down-to-earth tasks. Thus, in the city of Sernovodsk, blockaded by federal troops, Sergey Belyayev advocated strict fulfillment of the Russian Federation president's instructions: Population centers whose residents are not involved in combat operations must return to a normal, peaceful life as soon as possible. Including Sernovodsk, in particular. One of the tactical tasks which the NDR deputies set themselves on their return to Moscow is to resolve the problem of pulling the troops out of settlements that are known to be peaceful.

A lot happened during the tour: meetings with the leaders of all the territories adjoining Chechnya, contacts in Groznyy with the leadership of the federal territorial organs and with the federal troop command, and contacts in Sernovodsk with Dudayev's field commanders. Throughout the tour the delegation was accompanied at a diplomatic distance by people with characteristic long beards or, conversely, with tanned faces on which a pale chin stood out in a telltale manner — a consequence of the razor's recent intervention in the interests of secrecy. I often wonder whether the NDR deputies could have been taken hostage, and I reply just as candidly — there were a million opportunities. But they were not taken hostage. This was the most reassuring result of the trip: This means that not only Moscow wants peace in Chechnya now. The Dudayevists include quite a few sober-minded people who wish to end this mutual extermination of Russians. It is a fact of very considerable importance that they saw the NDR deputies not as potentially very useful hostages to exchange for gunmen but as plenipotentiary representatives for peace from the party of power capable of really influencing the conclusion of this badly needed peace.

Does Everyone Want Peace in Chechnya?

I am more than convinced that not everyone does. There are more and more people in the fatherland who are imbued with understanding of the fact that war is as dear to them as their own mother.

I was shaken by something that coincided with our arrival in Stavropol. The local police in the kray's Kushskiy Rayon had received information that there was an entire weapons dump in a house in one settlement which had recently been bought by people who had moved from Leningrad Oblast. The police group which traveled out to conduct a search ran into gunfire. There were dead and injured among the policemen. As a result, it came to light that an entire arsenal was being kept in the house. Why?

According to the data that the deputies obtained from the kray special services, it emerged that the people who had moved in were big arms dealers who were making a profit out of arms sales to Chechnya. The special services believe that there are, in general, very many such dealers on territories adjoining Chechnya. It is said that money does not smell. In this instance it gives off a strong smell of blood.

The deputies' group believes that it is also perfectly legitimate to speak of another theory. The incident in the settlement of Pervomayskoye, where Raduyev's gunmen had at their disposal a huge arsenal of weapons and ammunition, and the arms dump discovered in the settlement in Stavropol Kray's Kushskiy Rayon allow us to assume that these are all links of the same chain: Practically the entire territory adjoining Chechnya is literally stuffed with secret strongpoints to which gunmen propose to withdraw after carrying out further terrorist acts on the territory of Russia. This is also a problem that has to be reckoned with.

Is Peace Possible in Chechnya?

Fortunately, there are, nonetheless, more optimists in Russia than pessimists. Even among the people who have suffered most from this war.

In the course of the tour the deputies met most frequently with refugees — people who have lost their home, their own small motherland, and, seemingly, hope in the future. Yes, there were embittered people; yes, there was virtually not one person whose state of mind

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was not clearly at odds with reality — it is no joke when what is essentially fratricidal war is being waged in a country which has for decades proclaimed the peoples' equality and fraternity. But — and this is very important — there was virtually not one person who would speak of the Russians with hatred.

The deputies asked: Are talks and a peaceful solution at all possible after so much blood has been shed on both sides? The reply was reassuring: Civilians who have lived through this tragedy replied, as a rule, that a peaceful solution is possible. This is the last and the only possible chance.

I also recall a conversation with a rather thin, dog-tired major — Aleksandr Sergeyevich, as he called himself — in the post which was blocking the approaches to the city of Sernovodsk, the sad abode of refugees. He said:

"If you can quickly end this matter in peace together with the president, you can reckon that you have won the election."

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CIS: Agreements Signed Among CIS Border Troops

LD2902210596 Moscow ITAR-TASS in English 2057 GMT 29 Feb 96

[By Boris Yefteyev]

[FBIS Transcribed Text] BREST, February 29 (Itar-Tass) - A meeting of commanders of CIS border troops in Brest, Belarus, has signed nine cooperation and coordination accords.

Russian Federal Border Service director Andrey Nikolayev told Itar-Tass that "integration of border troops of the Commonwealth (of Independent States) states is shifting into higher gear".

Nikolayev cited among the meeting's major resolutions the plan to set up Tajikistan's own border troops and creating "a common information space" for CIS border forces.

Tajikistan's border with Afghanistan, troubled by regular inroads of the Afghan-based Tajik opposition, is being guarded by border forces of Russia, Kyrgyzstan, Uzbekistan and Kazakhstan under an agreement on collective protection of the CIS's outer rim.

Other major accors signed at the meeting have been on cooperation of CIS border services in search operations and joint management of emergencies on CIS borders.

The CIS council of border troop commanders is to hold a next meeting in the Armenian capital Yerevan early in May.

CIS: Turkish Influence in CIS Countries on Rise

964F1109A Moscow NEZAVISIMAYA GAZETA in Russian 7 Feb 96 p 4

[Article by Nikolay Plotnikov: "Candidate for Big Brother: Stronger Turkish Influence in the Transcaucasus and Central Asia Is Anticipated"]

[FBIS Translated Text] The breakup of the Soviet Union and Russia's preoccupation with the West led to Russia's loss of its previous position of political, economic, military, and informational leadership in Central Asia and the Transcaucasus. Other countries immediately began vying for the role of big brother there. Turkey is one of these.

Several conferences of Turkic-speaking states have been held at the initiative of the political leadership of the Republic of Turkey since 1992. Two of them—one in Ankara in October 1992 and one in Istanbul in October 1994—were summit meetings. Officials in Ankara have taken every opportunity to announce the presence of a new geopolitical factor in world affairs—the pan-Turkic factor. In their opinion, Turkic nationalities are having an increasing effect on international events and are gradually uniting on the basis of their common historical, cultural, linguistic, and religious roots. Meanwhile, the Turkish leadership has been trying to play a diplomatic game of counterbalances with its new partners.

The fact is that Turkey's ambitious plans in the Muslim states of the CIS are unlikely to be feasible. The country has a colossal foreign debt. Around one-fifth of the able-bodied population is unemployed. Substantial resources are being diverted for resolution of the Kurdish problem. Under conditions of growing foreign debt and a budget deficit, sizable capital investments in the former southern republics of the USSR have become impossible.

Enthusiasm for integration with Turkey has also subsided somewhat in some of the southern CIS countries. One of the reasons is economic. Some people in the states of Central Asia and the Transcaucasus expected Ankara to take over the role of their benefactor after the breakup of the Soviet Union, but it was unable to do this. That is why the Turkic states of the Commonwealth are taking measures to attract foreign capital and find new forms of economic cooperation with Russia. They would rather develop relations with the Turkish Republic on a bilateral, general political basis than on a pan-Turkic basis. Nevertheless, the basic areas of Turkish penetration of the former southern republics of the USSR are still the economic, cultural, and information spheres, as well as the sphere of personnel training. In the information sphere, Turkey allocated large sums for the organization of radio and television broadcasting to Central Asia. The Eurasian Television Council has been in existence for almost three years, and the Turkic republics and Tajikistan are members of the council.

Considerable attention is being focused on cooperation in education and joint personnel training. Enrollment in Turkish academic institutions is increasing. Whereas around 300 admission slots were reserved for students from the CIS at the University of Ankara in 1993, all Turkish academic institutions were reserving 2,000 slots each for each of the Turkic-speaking republics of the former USSR in 1994. Specialists are being trained in civilian and military fields. Azeri, Kyrgyz, and Uzbek students and trainees are attending Turkish military academic institutions. By the terms of an agreement concluded by Kyrgyzstan and Turkey in 1993, for example, 100 Kyrgyz trainees are studying in Turkey. Although the cost of instruction is officially covered by Turkey, experts believe that the money actually comes from third countries pursuing their own interests.

The North Caucasus has always occupied a special place in the policy of the Turkish Republic. Turkey

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has considerable opportunities to influence it through its own North Caucasian emigre community, which now has 1.5 million members. They include Chechens, members of the ethnic groups of Dagestan, Circassians, Kabardians, Adegeys, and Ossetians.

In November 1951 the "Cultural and Mutual Aid Society of North Caucasian Turks" was established in Istanbul, officially for the purpose of cultural education, and was in contact with comparable organizations in Jordan, Syria, and other countries. Its efforts to strengthen the Turkish influence in the North Caucasus were conducted under the cover of philanthropic goals, but it frequently promoted the ideals of nationalism.

In 1979 the Chechen and Dagestani members of the society left to form their own organization—the "Shamil Foundation." It does not conduct any political activity on the official level, but representatives of the mountain emigre community among its members openly advocate a struggle to liberate the Caucasus from "Russian oppression" in the foundation's press organ, SEVERNYY KAVKAZ.

Judging by some Western news reports, the "North Caucasus Association" and the "Chechen Association" have been quite active in politics and have also arranged for the recruitment and transfer of mercenaries to "hot spots" within the territory of the former USSR.

Although the Turkish leadership has shown special concern for the Caucasian emigre community in connection with current developments in the Caucasus and has given it a certain degree of freedom, it is nevertheless keeping a close watch on its activities, controlling it and, if necessary, using it in its own interest. Now that the Islamic Prosperity Party has won its first victory in 72 years in the Turkish parliamentary elections, we can expect Ankara to have a stronger impact on events in the Transcaucasus and the North Caucasus.

Main Routes of Dissemination of Turkish Influence in CIS:

from Ankara through Georgia to Groznyy;
from Ankara through Georgia and Azerbaijan to Almaty;
from Ankara through Armenia to Baku;
from Ankara through Iran and Turkmenistan to Tashkent;
from Ankara through Iran to Ashgabat;
from Ankara through Iran, Turkmenistan, and Uzbekistan to Dushanbe;
from Ankara through Iran, Afghanistan, and Tajikistan to Bishkek.

CIS: ITAR-TASS Carries Press Review for 1 Mar

LD0103080596 Moscow ITAR-TASS in English 0641 GMT 1 Mar 96

["Press Review" — ITAR-TASS headline]

[FBIS Transcribed Text] MOSCOW March 1 (Itar-Tass) — Follows a review of Friday's Moscow-based Russian newspaper dated March 1.

IZVESTIYA on Presidential Decree on credits on mortgage.

The newspaper points out that the Russian President's Decree "On additional measures to develop crediting on mortgage" will help people in Russia to improve their housing conditions.

The newspaper recalls that mortgage business should be regulated by a Bill, the first reading of which was passed by the previous State Duma. Boris Yeltsin seeks to get things moving in this respect, although the Decree signed by him is no substitute for a 80-article Bill. The problem is being also compounded by the unresolved nature of the private land ownership issue, which thereby is placed beyond mortgage relations.

ROSSIYSKAYA GAZETA on problems of Russian gold miners.

The newspaper runs a column of articles about the problems of Russian gold diggers. The newspaper's forecast is that the decline in the production of gold in Russia will not be stopped this year. Gold mining workers state that they will cut down gold mining by 30-40 per cent if their demands are not met.

IZVESTIYA on a government meeting.

In an account of the government meeting which was presided over by Boris Yeltsin, the newspaper emphasises the firm intention of the executive branch of power not to resume printing money in response to a shortage of cash. Revolutionary idea the kind of a nationalisation of banks are not considered by the government either, Minister of Economics Yevgeniy Yasin said. At the same time he called for an improvement of the financing of the Interior Ministry.

KRASNAYA ZVEZDA of Russia's peacekeeping force in the area of Georgian-Abkhazian conflict.

Should an extension of the mandate of Russia's peacekeeping force (RPF) in the area of the Georgian-Abkhazian conflict is denied, "a war with the use of all means of armed struggle would resume here again," RPF Commander Lieutenant-General Vasiliy Yakushev has told the newspaper. He said there are now up to 2,500 Russian peacekeepers in the conflict zone.

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IZVESTIYA on reports about the possibility of criminal proceedings against former KGB general.

The newspaper carries an interview with former KGB General Oleg Kalugin in connection with reports about the possibility of criminal proceedings against him due to ostensibly secret information given in his book.

Kalugin denied the possibility of uncovering real Soviet agents on the strength of the book contents. He said he did not even know by name Soviet spy Robert Stephan Lipka arrested in the United States.

Kalugion's opinion is that a leak of information, if any, should be blamed on disarray Russia's secret services following the disintegration of the Soviet Union. He said he would attend court sessions if any criminal proceedings are instituted against him and that he does not intend to take refuge abroad.

IZVESTIYA on Germany's restrictions on the flights of airliners from CIS countries.

The newspaper reports that Germany is to introduce strict restrictions on the flights of airliners from CIS countries. The Germans will allow only three air companies to operate in Germany, since all others, from their point of view, are unreliable.

The reliability of the Aeroflot Internationla Airlines Company was also questioned, particularly in the German press, but the authorities did not put it on the list of questionable air transportation enterprises, since from their point of view, Aeroflot is up to leading air companies on safety standards but it does not know how to prove that convincingly enough.

A drive to limit the flights of foreign airliners in the German skies was prompted by the crash of a Boeing airliner, belonging to a Turkish air company, with German tourists on board off the shores of the Dominican Republic.

KRASNAYA ZVEZDA on U.S. military service under contract.

Brigadier General John Reppert, Defence Attache at the U.S. Embassy in Moscow, describes some aspects of the U.S. military service under contract.

IZVESTIYA carries an interview with American actress Sharon Stone in view of her arrival in Moscow.

She gave the interview to the newspaper in Rome.

ROSSIYSKAYA GAZETA carries a review of the most famous film shown at the Images of Love festival, the Glanve of Whills directed by Teo Angelopoulos.

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Russia: Primakov Stresses Moscow's Opposition to NATO Expansion

LD2902220696 Moscow ITAR-TASS World Service in Russian 2037 GMT 29 Feb 96

[By ITAR-TASS special correspondents Yuriy Kozlov and Valeriy Rzhevskiy]

[FBIS Translated Excerpt] Bratislava, 29 Feb — Russia's attitude towards NATO's expansion has been and remains negative. This position is based on a broad consensus formed by the Russian public opinion, Russian Foreign Minister Yevgeniy Primakov said at a news conference at the end of the talks with his Slovak colleague, Juraj Schenk.

The head of the Russian Foreign Ministry spoke in favor of solving the problems of European security by searching for "mutually acceptable solutions" which would take into account concerns of the Central and East European countries as well as the interests of Russia's security.

"Unfortunately, we tend to concentrate too much on the problem of NATO's expansion when talking about Russia's relations with the Central European countries," he said to a question from an ITAR-TASS correspondent. "Our relations with the countries in this region are undoubtedly of paramount importance. For many years we have been connected by close ties of economic cooperation. Not everything was satisfactory for the countries of Central and Eastern Europe as well as the former USSR. However, we gained some mutually beneficial economic experience."

The minister said that one of the main tasks now "is to use all that was best from our past." He said in particular that, for example, Slovakia would be interested to continue importing Russian strategic raw materials. Russia, in turn, would welcome the expansion of direct industrial ties, including high technology industries. [passage omitted]

Russia: Foreign Ministry Warns on NATO Exercises in Norway

LD2902184996 Moscow ITAR-TASS in English 1559 GMT 29 Feb 96

[By Denis Perkin]

[FBIS Transcribed Text] MOSCOW February 29 (Itar-Tass) — NATO's military activity in countries situated near Russia does not pass unobserved in Moscow, says a report Itar-Tass received from the Russian Foreign Ministry's press department on Thursday. NATO's military exercises Battle Griffin are now held in Norway with the participation of armed units of Denmark, France, Germany, Great Britain, United States, Netherlands and Norway.

The exercises of Finnish defence forces on February 19-22 in Kymi governorship bordering on Russia are noticed too.

It was known in advance about NATO exercises in Norway. They are planned exercises and are held on a regular basis, the Russian Foreign Ministry notes.

However, in present conditions, when the cold war has become a thing of the past, it would be better to place an emphasis on confidence-building, joint work on the model of European security, broad cooperation in the area, also in the framework of the Partnership for Peace programme rather than on military exercises, the Russian Foreign Ministry stressed.

Russia: Norway Responds to Russia's Concern Over NATO Exercises

LD2902133096 Moscow ITAR-TASS in English 1259 GMT 29 Feb 96

[FBIS Transcribed Text] OSLO, February 29 (Itar-Tass) — Russian military commanders can arrive at any time in the area of NATO's "Battle Griffin-96" military manoeuvres in northern Norway if they believe these exercises threaten Russia'a security or go beyond the previously announced objectives, a spokesman for Norway's military told Itar-Tass on Thursday [29 February].

Brigadier Erik Janke, a spokesman for Norway's high military command, said the Russians should make a notice 48 hours before the possible arrival.

Janke said "the Russian side was duly and timely informed" about the terms, objectives and nature of Battle Griffin-96, adding that they are being carried out far from the Russian territory and that their scale is "incomparably lower than the manoeuvres conducted by NATO in this area in the seventies."

"The Battle Griffin-96 exercises are not directed against Russia," Janke stated.

He added that Norway had invited the commander of the Russia's Northern Fleet and the commander of the Leningrad military district to observe the manoeuvres which began on February 12 and will end on March 22.

The issue of NATO manoeuvres in northern Norway is likely to be discussed in the course of the two-day visit of Norway's Foreign Minister Bjorn Ture Godal to Moscow, due to commence on March 1.

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Godal is to meet with Russia's First Deputy Prime Minister Oleg Soskovets and Foreign Minister Yevgeniy Primakov.

Ingvar Havnen, a spokesman for Norway's Foreign Ministry, told Itar-Tass that his country "would like to repudiate statements that the current NATO manoeuvres in Norway can give Russia any slightest reason for concern."

"We do not see any reason to believe that these exercises will have any consequences for the dialogue between Russia and Norway," the spokesman said.

Russia: Swedes Told NATO Expansion Threatens Arms Treaties

BR2902133196 Stockholm SVENSKA DAGBLADET in Swedish 28 Feb 96 p 10

[Report by Sune Olofson: "Russia Threatens To Tear Up Treaties"]

[FBIS Translated Text] Moscow — If NATO expands, Russia will withdraw from international treaties on arms limitation that it has signed. Bridges of understanding will be torn down and Russia will be forced to move its nuclear weapons closer to the Nordic area and Central Europe.

Russian Generals Dmitriy Charchenko and Gennadiy Ivanov, both advisers to Defense Minister Pavel Grachev, delivered this harsh message when they met with the Swedish defense commission on Tuesday [27 February] in a yellow building right next to the enormous Defense Ministry in central Moscow.

"We will withdraw from the CFE [Conventional Forces in Europe] Treaty which limits conventional forces in Europe, compliance with the START I Treaty -- which regulates the possession of strategic nuclear weapons — will be slowed down, and ratification of the START II Treaty will be questioned in earnest," Dmitriy Charchenko stated in a comment to SVENSKA DAGBLADET.

At every meeting which the defense commission has had here in Moscow the Russians have delivered at least one clear and distinct message: We do not want Poland, the Czech Republic, and Hungary to be incorporated into NATO and we absolutely do not want Sweden, Finland, and the Baltic region to become NATO member states.

"The extent and the strength of the disapproval for an enlargement of NATO at both the Foreign and Defense Ministries has surprised me to a certain degree," said under secretary Lars Rekke, who leading the defense commission's study tour to Moscow.

Russian Rhetoric Hard To Interpret

It is not particularly easy to tell what is only traditional Russian rhetoric and what are real intentions, but there is no doubt that a possible NATO expansion is a hot domestic and defense policy issue in Russia, whose parliament is strongly influenced by active and retired military officers and where a fundamental reform of the defense forces has still not taken place since the fall of the Soviet Union.

In military circles NATO is still perceived as a potential enemy whose forces and nuclear arms should be as far as possible from the Russian border. The closer NATO's weapons come, the more countermeasures we must take, is the Russian explanation.

"Russia will never accept a northward expansion of NATO. Why is not it possible to continue on the path already taken of disarmament and consensus instead?" General Gennadiy Ivanov wondered, pointing to Partnership for Peace, PFP, and cooperation in Bosnia where Russians, Americans, and Scandinavians are working for peace side by side. According to Ivanov, PFP is currently the "optimal form" for defense cooperation in Europe.

Although all parties represented in the defense commission clearly stated that Swedish military nonalignment remains in place and that Swedish NATO membership would hardly increase Sweden's security, a certain degree of doubt could be detected among the Russian generals.

"We believe the official Swedish assurances about nonalignment, but the world is changing rapidly and we have heard prominent Western leaders declare that NATO enlargement will come, the only question being when. We must protect our security interests. Should Sweden, Finland, and the Baltic region become NATO members, there would be unforeseeable problems," Dmitriy Charchenko said, adding that every state of course has the right to choose its own security policy course.

Russian Anxiety About Isolation

In Moscow the defense commission also took part in a seminar at the Carnegie Institute, an association wanting to promote the dialogue between Russia and the West. Civilian experts on Russian defense and security policy emphasized that there is a great deal of anxiety among Russian politicians that Russia will be isolated by the international community and that in the long run it will be excluded from the community in Europe. Dmitriy Trenin, president of the Carnegie Institute and a recognized defense expert in Moscow, pointed out that

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the Nordic countries and the rest of Europe ought to feel a certain degree of gratitude and be pleased that the Russian withdrawal from Central Europe and the Baltic region was so painless.

"Russian officers and soldiers carried out the withdrawal in a disciplined and civilized way. Things could have gone very badly, since so many benefits were taken away from the Russian officers who to this day live under meager circumstances," Dmitriy Trenin said.

The Russians' promise that the defense commission would get to meet President Yeltsin's security policy adviser, Yuriy Baturin, did not materialize. Baturin's secretary said that he had fallen ill.

Russia: Duma Committee Chairman Views START-II Ratification

LD2902142396 Moscow ITAR-TASS in English 1356 GMT 29 Feb 96

[By Ivan Novikov]

[FBIS Transcribed Text] MOSCOW, February 29 (Itar-Tass) — "It is not ruled out that the Russo-American START-II Treaty will be submitted for ratification even before the June 1996 presidential elections in Russia," Chairman of the Duma Committee for Geopolitics Aleksey Mitrofanov told a press conference here today. He said that a special committee, which was set up by the Duma to draw up ratification papers, would hear reports by representatives of the Defence Ministry on this matter early in March.

"The Geopolitics Committee began polling the mps on the ratification of the treaty," Mitrofanov said. This document has already been ratified by the American side, although with quite important reservations, and now everything is up to Russia. "The Duma poll, launched by the Committee, will help determine the prospects for the treaty's ratification by the Lower House of the Russian Parliament," Mitrofanov explained.

He said that the initial results were quite disappointing: only seven out of the 103 polled MPs came out for the treaty's unconditional ratification. Fifty-one parliamentarians are against its ratification and 45 MPs are yet undecided. No members of the Communist, Liberal-Democatific and "Russia is Our Home" have backed its ratification. The Agrarian and "People's Power" groups are also opposed to it.

A positive answer was given only by Vladimir Lukin, Chairman of the Duma Committee for International Affairs and one of the four polled chairmen of the Duma Committees charged with drawing up a bill on the ratification of the START-II Treaty. Viktor Ilyukhin and Motrofanov, who respectively head the Duma Committees for Security and Geopolitics, have given negative answers. Chairman of the Defence Committee Lev Rokhlin believes that the "treaty calls for further study".

Describing the first results of the Duma poll as quite "unexpected", Mitrofanov expressed the hope that the views of the mps would change as the START-II Treaty is studied more thoroughly, because "any delay with its ratification will yield nothing good to our country".

Russia: Arbatov Says U.S. Cannot Pressure Moscow Over Cuba

LD2902220796 Moscow INTERFAX in English 1859 GMT 29 Feb 96

[From the "Diplomatic Panorama" feature]

[FBIS Transcribed Text] MOSCOW, Feb 29 (Interfax) — Honorary Director of the Institute for U.S. and Canadian Studies Academician Georgiy Arbatov says U.S. pressure on Russia designed to put a stop to the use of its tracking station in Cuba would be inadmissible.

"Nevertheless, we must think in earnest whether Russia needs that station or not. If the answer is yes, the station must be maintained, if no — why waste money?", he told Interfax on Thursday.

The issue of Russia's tracking station re-emerged after the recent incident in which Cuba's Air Force downed two civilian planes belonging to the Cuban opposition based in the United States.

With reference to the consequences of the incident, Arbatov said that the likelihood of a U.S. military operation against Cuba is negligible. "I do not think that the military want it," Arbatov said.

In the meantime he has no doubt that the United States will toughen its economic sanctions against Cuba, which, in his view, may affect third countries, including Russia. "This may lead to frictions in Russian-American relations," Arbatov said.

Greater internal frictions, which might surface under certain circumstances, have been in evidence in international relations in general and in the Russian-American relationship in particular after the cold war even without that, Arbatov said.

In these circumstances each new irritant would be undesirable, the more so as the situation is not stable in both America and Russia, Arbatov said. He meant the election campaigns in process in both countries.

According to Arbatov, "excessive activity toward the Cuban issue on the part of Moscow may do harm to Russian-American relations, turn into another challenge

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on the background of domestic developments in the USA, and be used by those who demand resolute actions."

Russia: Former KGB Officials Comment on Lipka Spying Arrest

LD2902184296 Moscow NTV in Russian 1635 GMT 28 Feb 96

[Studio interview of Mikhail Lyubimov, retired KGB colonel and observer of the SOVERSHENNO SEKRETNO newspaper, by Pavel Lobkov — live; from the "Hero of the Day" program; program also features recorded interviews with former KGB General Oleg Kalugin and Yuriy Kobaladze, head of the press service of the Foreign Intelligence Service]

[FBIS Summary] In a 25-minute interview, Mikhail Lyubimov, who was expelled from England in 1965 when he was second secretary of the USSR Embassy in London, comments on the arrest of Robert Lipka, an American who was recently arrested in the United States on charges of cooperating with the KGB in the 1960's. It is mentioned that the latest book by former Kalugin alerted the FBI to Lipka.

Commenting on why the United States needed the Lipka affair, Lyubimov says: "I even think that perhaps someone has exploited the situation and betrayed the unfortunate Lipka, perhaps in Washington — it is an old business — and exposed Kalugin. The presidential campaign is under way, and it is a very good thing for the Republicans to get another anti-Soviet thing, wave the flags, and say: Well, the Soviet Union, Russia, has not changed at all. There are still agents, and so forth. It is a very useful battle against Clinton and a very important aspect."

Lyubimov goes on to note that there is not yet complete information surrounding the arrest of Lipka, and the book by Kalugin may have had a role to play in uncovering Lipka.

In a separate recorded interview, Kalugin, says his book could not have had anything to do with Lipka's arrest.

In another recorded interview, Kobaladze says Kalugin's book is a "serious violation of the rules of the game" of intelligence and is "inadmissible."

Russia: More on Curbs on U.S. Poultry Meat Imports

MM2902162596 Moscow FINANSOVYYE IZVESTIYA in Russian 29 Feb 96 p 6

[Article by Biznes-TASS correspondent Konstantin Savvin: "Domestic Market Could Be Left Without U.S. Chicken Legs"]

[FBIS Translated Text] The Russian Agriculture and Food Ministry Veterinary Department has decided not to issue new permits for the importation of poultry meat to Russia from the United States. But the importation of this meat will be carried out until 16 March under the previously issued permits. This was reported by Vyacheslav Avilov, chief of the Veterinary Department and Russian Federation chief state veterinary inspector. According to him these measures were prompted by the fact that lately there have been cases whereby the United States has delivered low-quality products. Specifically, the ConAgra firm has delivered to Russia 1,800 tonnes of chicken legs whose quality was declared unsatisfactory during quality control checks.

This January Russian veterinarians inspected in the United States the way the U.S. side is meeting the requirements of the veterinary certificate agreed last summer with the U.S. State Veterinary Service. During the inspection they discovered that the Americans are not meeting the prescribed requirements.

The department chief noted that the Russian veterinary service's requirements are fully justified and are aimed at preventing the importation of infectious poultry diseases to the country's territory and guaranteeing that the population receives high-quality products.

Avilov reported that a meeting with a U.S. Department of Agriculture delegation took place in Moscow in mid-February. The U.S. representatives did not reject the Russian side's claims. They are now taking measures to ensure that all the veterinary certificate's requirements are met. If after 16 March the U.S. side has not given guarantees that these requirements will be met, the importation of poultry meat from the United States will be completely banned, the department chief said.

Avilov also commented on the recent statement by U.S. Secretary of Agriculture Dan Glickman contained in his letter to Russian Government Deputy Chairman Aleksandr Zaveryukha. The U.S. secretary claimed that the new regulations "are extreme and do nothing to enhance product safety." Avilov noted that it is not a question of any new regulations but merely of meeting the requirements of the previously agreed veterinary certificate. "In the current situation," Avilov said, "passions and arguments should not be whipped up

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in the press and social circles but immediate measures must be taken to observe the obligations undertaken by the exporting country. The Russian side is prepared to continue talks with the U.S. Department of Agriculture at any time on a constructive basis."

What do other Russian specialists make of what has happened? The decision to suspend the purchase of poultry products from the United States, the Russian Ministry for Foreign Economic Relations [MVES] believes, was made with the aim of protecting the Russian consumer from low-quality products. This decision is not of a protectionist nature and is not aimed at protecting the interests of Russian producers of similar products, as the U.S. side is trying to make out. Such measures conform to world practice, and the Russian Agriculture Ministry, which is responsible for monitoring the quality of products being delivered, has the right to autonomously introduce such sanctions if the products do not meet standards set in the country, MVES experts stated. Thus, two years ago similar measures were introduced in respect of the importation of pork from European countries.

Vladimir Bashmachnikov, president of the Association of Russian Peasant (Private) Farms and Agricultural Cooperatives [AKKOR], regards the Veterinary Department's decision above all as a measure aimed at protecting Russian consumers' interests. According to him, lately low-quality products have been imported from the United States and other countries. The Agriculture and Food Ministry's actions are a "normal dual-effect measure," the AKKOR president believes. First, while the veterinary problems associated with the delivery of products from the United States are being worked out, meat stocks that have accumulated in the country will be sold off. Second, Russian suppliers will have to operate more vigorously in the country's domestic market instead of limiting themselves to purchasing "any old thing" abroad.

Bashmachnikov believes that if deliveries of U.S. chicken legs to Russia are terminated it will be possible to "find a solution at government level — be it with the United States, or Germany, or Australia, or any other country." A certain proportion of the products will be imported into Russia and there will be no serious problems of supplying the population, Bashmachnikov believes.

There were 848,000 tonnes of poultry meat, worth a total of $705.6 million, imported into Russia in 1995. Over 70 percent of all deliveries came from the United States.

Russia: Foreign Ministry Report on Consultations in Tokyo

LD2902230696 Moscow INTERFAX in English 1859 GMT 29 Feb 96

[From the "Diplomatic Panorama" feature: by diplomatic correspondents Aleksandr Korzun, Igor Porshnev, Yevgeniy Terekhov and others]

[FBIS Transcribed Text] MOSCOW, Feb 29 (Interfax) — Russian- Japanese consultations were held in Tokyo on February 28 and 29 in line with an intergovernmental agreement on incident prevention in the sea outside territorial waters and in the air space above it, says a Russian Foreign Ministry report made available to Interfax Thursday.

The agreement was signed when Russian President Boris Yeltsin visited Japan in October 1993.

The Russian delegation included navy and Foreign Ministry officials and the Japanese delegation - Foreign Ministry and Defense Agency officials.

They discussed matters related to the enforcement of the agreement as well as to guaranteeing a higher security standard of seafaring outside territorial waters and flights in the air space above them.

According to the report, the two sides confirmed that the agreement is useful to both countries, that there were no incidents between Russian and Japanese ships or aircraft recently and that such consultations will be held, in compliance with the agreement, when the two sides find it convenient.

Russia: FM Statement on Troop Pullout From Moldova

LD2902230196 Moscow INTERFAX in English 1859 GMT 29 Feb 96

[From the "Diplomatic Panorama" feature: by diplomatic correspondents Aleksandr Korzun, Igor Porshnev, Yevgeniy Terekhov, and others]

[FBIS Transcribed Text] MOSCOW, Feb 29 (Interfax) — A pullout of Russian troops from Moldova can only be carried out if it is synchronized with a Transdniester settlement, a Russian Foreign Ministry statement sent to Interfax Thursday reads.

According to the statement, this position of Moscow was communicated to the head of the OSCE mission in Chisinau, who was in Moscow Monday and Tuesday. The OSCE ambassador, together with representatives of the Russian and Ukrainian presidents, acts as a mediator in talks on the settlement of the Transdniester conflict.

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The statement says that during the Moscow talks with the OSCE mission head the Russian side reiterated that Russian troops in Moldova continue playing an important role in maintaining peace and stability in the region, while the Transdniester issue remains unresolved and tensions linger between the two parts of Moldova.

In addition, Moscow reiterated its firm intention to accelerate the search for ways to settle the conflict on the basis of granting Transdniestria a special status within the united Moldova.

According to the Foreign Ministry statement, the talks in Moscow highlighted a significant coincidence of approaches, which will positively influence the work on the conflict settlement.

Russia: Velayati's Talks With Tajik Officials Viewed

NC0103085896 Moscow Voice of Russia World Service in Persian 1600 GMT 29 Feb 96

[Unattributed commentary]

[FBIS Translated Text] Iranian Foreign Minister 'Ali Akbar Velayati arrived in the Tajik capital, Dushanbe, yesterday on a brief visit and stated that his meetings with the Tajik leadership and with President Emomali Rakhmanov were useful. The Iranian foreign minister attended a news conference in Dushanbe today and said that during his talks with President Emomali Rakhmanov, Supreme Assembly Chairman Safarali Rsajabov, and Foreign Affairs Minister Talbak Nazarov he discussed many issues concerning bilateral relations, the situation in Tajikistan, and ways to end the civil war through political means.

Velayati noted that (?agreements) were reached on the topics discussed, primarily on the need to renew the cease-fire agreement between the conflicting Tajik forces, and on the need to continue talks between these forces in Ashgabat or elsewhere.

Answering a question by Russia's ITAR-TASS correspondent on the role played by Russia and Iran as observers in the Tajik talks, Velayati said Russia and Iran have common views on resolving Tajikistan's domestic crisis. He said he believes Russia and Iran can play a significant role in overcoming the crisis and in [words indistinct] of the regional situation. (?He also) noted the great significance of (?efforts) by all the Central Asian countries as well as Afghanistan.

Iran considers relations with the CIS members as an opportunity to resolve existing disputes and believes that Russia can help to establish peace, both in Central Asia and elsewhere in general.

Iran's foreign minister said he believes that both sides should try to overcome the domestic crisis in Tajikistan. Both sides want (?peace) and the peaceful resolution of the crisis and should be helped to bring their stances closer to reach a compromise. The existing disputes cannot be solved unilaterally.

Velayati described as positive a decision by the Tajik officials to convene a special session of the National Assembly on 11 March and to invite opposition leaders. He said this is a (?serious) and significant step. He also expressed doubts [words indistinct] on the possibility of high-ranking opposition officials attending the parliamentary session. The Iranian foreign minister said: In relation with this, I asked Emomali Rakhmanov to [words indistinct] the high-ranking leaders of the Tajik opposition.

Discussing economic relations with Tajikistan and the other CIS members, and, especially, with the Central Asian countries, Velayati said Iran [words indistinct] on a long-term basis. He expressed the same view on Russia and stressed that during his visit to Moscow [words indistinct] relations with the Russian Federation will be discussed. Velayati stressed that they will also discuss topics concerning Tajikistan's domestic crisis and help in finding a political solution by the CIS members, Russia in particular, and Iran.

Velayati handed a message from the Iranian president to Tajik President Emomali Rakhmanov and, on behalf of the president, invited him to attend a ceremony to inaugurate a railway linking Iran to Turkmenistan. The invitation was accepted with gratitude.

The Iranian foreign minister will leave Dushanbe for Bishkek [words indistinct], where he will meet Kyrgyz officials. The talks will discuss issues concerning the solution of the Tajik problem.

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Political Issues

Russia: Yeltsin Addresses Government Session 29 Feb

LD2902223796 Moscow Russian Television Network in Russian 1910 GMT 29 Feb 96

[Address by Russian President Boris Yeltsin to a Russian Government session in Moscow on 29 February — recorded; from the "Report on the Extended Sitting of the Russian Government" program]

[FBIS Translated Text] Ladies and gentlemen, first of all I would like to welcome your businesslike self-criticism. We are doing one big, hard job together. The people and society are demanding more from the government, and we must assess ourselves with as much self-criticism as possible. But the most important thing is to use all the reserves we have to improve the efficiency of our work. I do not see any point in repeating the address to the Federal Assembly. Judging by today's discussion, you have worked seriously on these documents and taken them as instructions for further work. I have come to the conclusion that on the whole, we are united in assessing the situation and are united in approaches to resolve Russia's social and economic problems. There are foundations for consistent actions and continuing reforms.

I agree with Viktor Stepanovich Chernomyrdin's assessment that last year was not in vain. There are results, and there are the first signs of stabilization. These results created a problem of adapting the economy to low inflation and low income, which is new to us. That was the problem. We did not expect it. The Finance Ministry and the Economics Ministry, in particular, failed to alert all the other departments and the government as a whole. The government must concentrate its efforts on protecting human social and economic rights and strengthening the guarantees of the inviolability of the citizens' and enterprises' rights. This is not election rhetoric. I want everyone to realize that this is what will determine the fate of reforms. Let us remember why we started the reforms. We started them for the sake of the people, in order to improve their daily lives. We have been talking recently about everything but that.

Let us remember about people, after all; let us think how the government's every decision will affect their lives. And only then our actions will multiply supporters of Russian reforms.

I have heard about state minimum standards of living for a long time: expenses on science, culture, education, public health, environmental protection, land, agricultural produce, and so on. Russian citizens need to know these standards, see how they are reflected in budget expenditures, and feel how they affect their lives. The more we postpone a solution to the problem, the stronger social discontent is and the higher the social tension in the country is. Doesn't the government realize that? But no specific steps have been taken yet.

I expect the government to put forward specific proposals to improve considerably the efficiency of budget expenditures on supporting the social sphere. I see last year as a failure in this respect. We must not allow the situation to remain unchanged this year. Even without that, we have stretched the people's patience to the limit.

I will say something else, too. It is time for the government to open a direct and frank dialogue with citizens. Recently this has stopped happening. [We must] explain clearly to the citizens of Russia where the country is going, what is going to be done, what results we expect, specifically how this affects people's everyday lives. This must be done, particularly because the government has something to say; there is a real basis for building up people's hopes. I hope the government is fully aware of its accountability to Russia and to the citizens of the country.

In conclusion, I would like to make the following observation. About a month ago and before, returning from work at about nine or ten p.m., I used to see that lights were on in many windows in White House. Nowadays, returning from work I see that most windows are dark. So there you are. I don't think this is a trivial matter. If you think that after a little bit of criticism you should be downhearted and slacken your work, you would be wrong. A sluggish style of work will not be tolerated, mind you! Well, of course this example is not based on thorough analysis and research, but it is very interesting all the same. Pay attention to it, Viktor Stepanovich. One must intensify the role of the administration. I don't think it has been affected only by a delay in paying the annual bonus.

Thank you for your attention. I wish you good luck.

Russia: Yeltsin's Criticism of Finance Ministry Noted

LD2902144596 Moscow Radiostantsiya Ekho Moskvy in Russian 1300 GMT 29 Feb 96

[FBIS Translated Text] An expanded sitting of the Russian Government with Boris Yeltsin in the chair took place today. Prime Minister Viktor Chernomyrdin delivered a report on the main results of the social and economic development of Russia in 1995 and tasks for the current year. Our correspondent Ivan Trifilov reports:

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[Trifilov] The sitting started on a calm note. Viktor Chernomyrdin reported on the government's successes. Certain financial stabilization has been achieved. Inflation has been curbed. A rise in production is being observed in some places. The prime minister acknowledged that there are difficulties regarding the financing of the budget and consequently delays in social payments. Finance Minister Vladimir Panskov tried to explain that very little money is coming into the budget and taxation bodies should be strictly brought to account for this.

Until this moment, Boris Yeltsin did not interfere in the discussion. However, his reaction to the finance minister's speech promptly showed to those gathered who is the main culprit responsible for the nonpayments and delays in paying pensions and wages:

[Begin Yeltsin recording] Local budgets cannot pay because of a lack of discipline and the insufficient, so to speak, work, the bad work of the Finance Ministry. Why? Because 60 percent of the component parts of the Federation have bank transfers, and you have been late with the transfers, so how are they to pay teachers and doctors? [end recording]

[Trifilov] Having publicly criticized the minister, the president did not proceed to draw organizational conclusions. But they have not been ruled out.

Viktor Chernomyrdin noted in his report that achievement of calm in society is now the main thing in the government's work:

[Begin Chernomyrdin recording] The choice that Russia's citizens will make in June depends namely on us and our work. We must make people feel a shift for the better in their everyday lives. This will be the best, the most reliable campaign for the president. [end recording]

[Trifilov] Deputy prime ministers and ministers who spoke later said a good many warm words about how the country should live in the future and what forward course it should follow. However, it is clear now that the government will do everything possible for Boris Yeltsin's victory at the presidential elections.

Russia: Chernomyrdin Addresses Government Session 29 Feb

LD2902235796 Moscow Russian Television Network in Russian 1910 GMT 29 Feb 96

[Report by Yelena Ozrina on statement by Russian Prime Minister Viktor Chernomyrdin at government sitting in Moscow on 29 February; including remarks by presidential advisor Aleksandr Livshits to journalists after the session; from the "Report on the Extended Sitting of the Russian Government" program — remarks by Chernomyrdin and Livshits recorded]

[FBIS Translated Text] [Chernomyrdin] During the four years of reform the framework of market relations was created. Society, the people of Russia, are entitled to demand that economic policy should produce real and convincing positive results. Therefore, the government's main duty is to make sure that our fellow countrymen feel a shift for the better in their everyday lives already in the first six months of this year. That is the most topical, the most acute and urgent issue at present.

It is this task that was set in the president's message. As the government's chairman and a citizen of Russia, that is how I understand my task.

The current situation in the economy is multicolored and contradictory. It gives ground for endurance, hope, and confidence. However, it also contains the roots of weariness, disillusion, and dissatisfaction. Therefore, our job is to make the year 1996 a noticeable landmark on the way to success.

With what reserve of strength did we enter 1996? What problems, old or new, will be defining the logic of our actions in the future? These questions are the subject of today's discussion.

The year 1995 has every right to enter the history of the market economy in Russia as a year of an evident breakthrough in proving legislation for reform. General and special sections were adopted in the Civil Code, which is intended to become the economic constitution of the country. Laws on the Central Bank, banks and banking activity, joint stock companies, and state support for and protection of small enterprises and entrepreneurship came into force. For the first time we entered a new economic year with an endorsed budget.

All that enables us to say that the creative forces of the market are already working in Russia. They are beginning to gain the upper hand over destructive tendencies. Internal sources of development have appeared in the economy. Something has already been achieved and we do not need to keep quiet or be shy about our achievements and positive efforts. We have all the more reason not to abandon those instruments that have helped us to achieve the first positive results. By the way, awareness of what has to be avoided under all circumstances is also a very important result of last year.

We must not relax monetary and financial policy. We must not undermine the endorsed budget by populist gestures. We must not recklessly expand the scale of state regulation, thereby multiplying the already considerable obstacles in the way of entrepreneurial activities.

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However, we should also not forget for a minute the excessively high social and, indeed, economic price of reform. There is a direct link between the loss over four years of half our volume of industrial production and the reduction in Russians' standard of living by one third — processes which are still going hand in hand. It is not accidental that reducing the excessively high price of reform was a leitmotif in the president's message both last year and this year.

We must listen more carefully to Russia's multitude of opinions to see the reality more clearly and more sharply in all its true colors, and accept it with all its contradictions. Our task is to seek a way out from these collisions prompted by the logic of life. While tackling the task, we will certainly be adjusting our actions. Only very limited people can afford never to change anything in politics. However, there are principles that we cannot waive.

I am not afraid to reiterate that the year 1996 can and must become the year in which economic growth starts, the first year in which investment picks up. We see this as the sole healthy basis for the solution of social problems, stabilization, and boosting the standard of living of the people of Russia — and we will achieve this.

[Ozrina] The prime minister thinks that the key to success, especially in the first months of the current year, lies in steady and smooth coordination of all financial work in the country, which must now be marked by two main features. First, there must be a sharp reduction in the volume of nonpayments in the economy as a whole. This must also include, without fail, settlement of debts owed to the budget. Second, the federal budget's own debts, above all in payment of wages, must be eliminated without question.

The prime minister thinks that the stability of Russia's economic system depends on how the government tackles these two central areas. The policy must be extremely tough here. If we untie this knot, we will fulfill everything else we outlined for the year 1996. That is our main and most important task, the prime minister said.

[Chernomyrdin] We can now tell people that the tasks set by the president for clearing arrears to the employees of organizations at all levels financed by the budget and enterprises producing goods to state order will be met. In parallel, to reduce the debt in the nonbudgetary sector of the economy, we will introduce a mechanism of compensating for material losses as a result of delayed payments of wages. The draft law to this effect will be submitted to the State Duma in March. The state is not going to have more money in real terms in its hands for social programs. We are already in the danger zone. New approaches are needed.

[Ozrina] The prime minister thinks that the government expects to receive considerable returns from implementing the measures envisaged by the recent decisions regulating the production and turnover of alcohol products, and also from adopting as soon as possible the general part of the customs code, the draft of which has been submitted to the State Duma. Everything that was mentioned must be implemented without fail, the prime minister said. Only then will we be able to implement the federal budget normally, without resorting to underhand methods such as sequestration and financing of expenditure only after receipt of revenue.

[Livshits] We, including the president, still have reserves. They are scheduled for March, probably the beginning of April. With their help it will be possible to replenish the revenue part of the budget and resolve the problem. I want to disperse the doubts — they are very strong at present — that the entire budget will be used to pay wages. Nobody is going to turn the federal budget into an all-Russian till at which anyone can join the line to receive wages.

[Ozrina] Will what we received from the International Monetary Fund be used to pay wages to any degree? Many people think that the money received from the International Monetary Fund will be used for this purposes.

[Livshits] Certainly since that is our common basket. During the talks in the Kremlin, IMF Managing Director Michel Camdessus unequivocally supported the social programs of the president and the government, in particular paying off wage arrears. However, I want to warn you: Do not have illusions here. When we receive from the IMF — for a start, we must realize what and when we will receive. If we could receive a billion or a billion and a half next month, it would be wonderful, but we will not receive that because the IMF has a certain distribution of tranches. On the whole, in March or April we expect to receive from the IMF just under a billion into the country's common basket. Money does not have a stamp saying this dollar has come from the IMF and this one from exports or from somewhere else. Therefore, resources will be distributed in accordance with the budget law.

[Chernomyrdin] In the sphere of pension provisions in 1996, in addition to regular indexation of pensions, we will develop nonstate pension funds and introduce in practice additional pension systems in particular industries and regions.

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The president's message has set us a major social objective: to achieve real progress in resolving the housing problem. Of course a lot is being built at present. Housing construction is one of the areas where production is growing. In general, new housing is not affordable for families on medium and low income. Meanwhile, there is an opportunity to make housing construction considerably cheaper and, as a result, make one's house affordable for a considerable proportion of the people of Russia.

In conclusion, I would like yet again to stress our commitment. In the political sense we have entered the most difficult period since the reforms began. The choice that Russia's citizens will make in June depends namely on us and our work. We must make people feel a shift for the better in their everyday lives. This will be the best, the most reliable campaign for the president.

I see four main components of success. They are to make social policy more active, make financial stabilization stable, observe the budget strictly, and encourage investments. Implementing the presidential policy of reforms, we are working for Russia and in the name of Russia. Minds, wills, and hearts should be attuned to this alone. We should remember that every day and every hour since that is the best, most unmistakable, and most accurate political compass. Thank you.

Russia: Premier's Closing Remarks at Government Session Noted

LD0103114796 Moscow Russian Television Network in Russian 1910 GMT 29 Feb 96

[Remarks by Russian Prime Minister Chernomyrdin to a Russian Government session in Moscow on 29 February; from the "Report on the Extended Sitting of the Russian Government" program — recorded]

[FBIS Translated Text] I am grateful to everyone — to you, Oleg Nikolayevich (Soskovets), to your colleagues, to the deputies, to the Federation Council, the members of the Federation Council who are present — for taking part in the work. I am, in fact, a supporter. What we have done today, what we have talked about is the business of all the branches of power. We have one Russia for everyone, and I think that we are all accountable to her and to our people.

I can only say once again, Boris Nikolayevich, that for you, and for all of us here in Russia, 1996 is the most responsible year, and it will always be responsible during a presidential election year. A parliamentary election year is no less responsible. It is an endurance test that we undergo, the most responsible thing right now, at such a crucial stage in our country.

I have just one thing to say to the members of the government, to everyone who is present, to all branches of power. Regarding what we are doing, we are not new, we are not discoverers, we are not original discoverers. I can say once more: there have been many mistakes, and much has not been done, but there are limits to what one can do. One cannot reach some position without using it as a springboard to go onward, so that life improves.

Russia: Soskovets Addresses Government Session 29 Feb

LD0103102796 Moscow Russian Television Network in Russian 1910 GMT 29 Feb 96

[Address by Oleg Soskovets, deputy prime minister, to a Russian Government session in Moscow on 29 February, from the "Report on the Extended Sitting of the Russian Government" program — recorded]

[FBIS Translated Excerpt] Viktor Stepanovich Chernomyrdin, chairman of the government, described in his report the general economic situation in the country and the objectives for 1996. I will focus on the state of those branches of the industry for which I am responsible in the government.

Broadly speaking, what did we achieve last year? First, I would like to bring up again only two figures: the industrial output was 3 percent down in 1994, when it had fallen 21 percent. Second, industrial enterprises began adapting themselves to the market conditions and to working in the framework of limited demand and a harsh competition.

The process of reforming the management of the oil extracting and oil processing industries has been completed in the main; 15 oil companies and two joint stock companies transporting oil and oil products have been set up. The process of reforming the complex has enabled us to slow down the rate of decrease of oil extraction. Completion rate of oil main lines has increased by 72 percent, oil- field pipelines by 20 percent; pressure [dozhymnye] pumping stations by 108 percent. The fund of non-working oil wells has decreased by almost 700 units.

The oil complex is continuing to form the country's hard currency potential. The export of oil has reached 95.5 million tonnes, an increase of 2.5 percent.

[passage omitted]

In conclusion, I would like to assure the president that without doubt the government will undertake all steps to develop production in 1996. Thank you.

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Russia: Soskovets Applauds 'Beginning' of Economic Growth

LD2902151096 Moscow ITAR-TASS World Service in Russian 0956 GMT 29 Feb 96

[By ITAR-TASS correspondent Oleg Velichko]

[FBIS Translated Text] Moscow, 29 Feb (Itar-Tass) — For the first time in all the years of reform, the government's consistent and tough actions have produced results which make it possible to talk about completing financial stabilization and beginning economic growth, First Deputy Prime Minister Oleg Soskovets told an extended government session today. He maintains that it is necessary "to restore the growing state order as an attractive means of increasing production activity which is underwritten by the state."

He acknowledged that the privatization process in the country is controversial. "It is necessary to take stock today, to find who has become owners of privatized enterprises and what is his share of responsibility for the property he received on preferential terms," the first deputy chairman of the government said. "The first impression is that new owners are not very interested in developing production, they are just after a quick profit."

The first deputy prime minister believes the investment situation is rather alarming now. The share of the state investment is down to 13 percent, conversion programs have only received 25 percent of their finance, and the budget still owes money for projects completed back in 1994.

Oleg Soskovets believes military and technical cooperation is an important direction of foreign economic activity. In 1995 Russia cooperated in this field with 51 countries, and the volume of export production and services of a military nature increased by 80 percent from the 1994 levels, exceeding $3 billion; 75 percent of all deliveries were on cash accounts.

The first deputy prime minister spoke in more detail about those industries for which he is responsible in the government. He said industrial output was 3 percent down on last year. On the whole, industrial enterprises have begun adapting to market conditions, to the limitations of demand, and to tough competition. He also said that production in the fuel and energy industry was 2.5 percent down on last year.

The consumption of power resources per unit of finished product has decreased, saving 8 million tonnes of standard fuel. The process of restructuring the management of the oil extracting and processing industries has been mainly completed: 15 petroleum companies and two joint-stock companies transporting oil and oil products have been set up.

Russia: Panskov Responds to Yeltsin Criticism; Discusses Funding

LD0103000196 Moscow Russian Television Network in Russian 1910 GMT 29 Feb 96

[Interview with Russian Finance Minister Vladimir Panskov by Yelena Ozrina in Moscow on 29 February — recorded; from the "Report on the Extended Sitting of the Russian Government" program]

[FBIS Translated Text] [Ozrina] Finance Minister Vladimir Panskov made a report at the government session. After his report, the president criticized the performance of the Finance Ministry and Panskov himself rather sharply.

[Begin Yeltsin recording] Vladimir Georgiyevich, we accuse you, first and foremost, of being responsible for this situation developing over non-payment of wages. Even the reasons you have given for this in your speech mean that you are to blame, too. Everything comes full circle, so to speak, with the Finance Ministry, although you have aides. [end recording]

[Ozrina] So how can this most difficult problem — the problem of finance — be solved?

[Panskov] It is only natural that although today's sitting was devoted to the results of the economy's development and the social development of the country, much attention was paid to the problem of finance. That is inevitable, because everything is being held up by funding at present: delays in paying wages, communal services charges, and many other problems. The root of the problem is the lack of funding. But I would like to point out that the financial problem is not that easy to solve. We know well how to share out now. If you have money, it doesn't require a lot of intelligence to share it out. Probably we don't even know how to share it well, because some spheres receive less than they deserve.

But today's sitting concentrated on — and we should rather concentrate on it in the future — collecting taxes. We should have received 54 trillion rubles of taxes in the first quarter, according to the budget. We will have as little as 30 trillion instead of 54 trillion. That is the problem.

[Ozrina] But why?

[Panskov] The reason is that the tax collection is deteriorating. Then another reason is that while discussing the budget the Duma rejected many of the proposals put forward by the government on improving tax collection or scrapping tax benefits in 1996. And the income part remained.

[Ozrina] The president said that from 1 March all the wage debts would be paid off. But wage debts by

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being paid off by the Finance Ministry. How will you implement the president's decision? From where will you get the money?

[Panskov] Not only have we to implement it, we must do that. The president said it, so we will do that. From where will we get the money? We will have to cut down on something. I must be honest with our viewers. We will cut down on investment expenses, probably, since we are not receiving taxes. Everything will be rebuilt later. I think that we will adjust the tax system in the next few months and taxes will be paid in full. We have submitted a proposal to the government on increasing the income part of the budget. Will they be adopted? We will have to cut down on something in March to pay off all the debts. We will have to tighten our belt. In April... [pauses] The tax system is developing slowly in the right direction and more taxes are coming in. We will have about 9.5 trillion rubles of taxes in February, taking into account the prospects for today, and in March we will have 12 trillion. So there is some progress, and I think the trend will be maintained in April. Also in April we will have the IMF installment. And then we will be able to fund investment projects better than in March.

Russia: Yeltsin Proposes International Conference on Terrorism

LD0103112896 Moscow ITAR-TASS in English 1122 GMT 1 Mar 96

[By Andrey Shtorkh]

[FBIS Transcribed Text] MOSCOW, March 1 (Itar-Tass) — President Boris Yeltsin put forth an initiative on Friday to call an international conference in Moscow on struggle against terrorism.

The head of state expressed this initiative at a meeting with Russian Prosecutor-General Yuriy Skuratov today, Itar-Tass learnt from the Russian president's press secretary Sergey Medvedev.

Medvedev noted that the president gave instructions to the prosecutor-general on preparations of the conference.

Russia: Chief Prosecutor Briefs Yeltsin on Criminal Cases

LD0103120496 Moscow ITAR-TASS in English 1145 GMT 1 Mar 96

[By Andrey Shtorkh]

[FBIS Transcribed Text] MOSCOW, March 1 (Itar-Tass) — The Procurator-General of the Russian Federation, Yuriy Skuratov, today reported to President Boris Yeltsin about the investigation of some criminal cases to which the public attaches special significance, including the murders of TV journalist Vladislav Listyev, newspaper reporter Dmitriy Kholodov, business group leader Ivan Kivelidi and priest Aleksandr Men, presidential press secretary Sergey Medvedev told Itar-Tass.

According to Medvedev, Skuratov told the President that he was personally in control of the investigation and kept regular meetings with the teams of investigators.

As concerns the murder of prominent Russian TV journalist and leader of the Russian Public Television company Vladislav Listyev, Skuratov stressed that "we have long since left behind that part of the way when we worked with an extensive number of versions. Good work has been done which enables us to decide on the main priorities in the further investigation," the press secretary quoted the country's chief prosecutor as saying.

Skuratov told the President that in the 12 months that have elapsed since the shooting of Listyev, more than 1,000 witnesses have been questioned, more than 150 searches have been carried out and at least 30 expert assessments have been prepared. The investigators exposed more than 20 different crimes, including one contract murder, seized more than 20 pieces of fire arms and material values worth more than one billion roubles.

Skuratov said criminal proceedings were initiated in all the above cases and the criminals have been brought to criminal account.

Russia: Gorbachev Announces Intent To Run For President

LD0103123496 Moscow ITAR-TASS in English 1221 GMT 1 Mar 96

[By Lyudmila Aleksandrova]

[FBIS Transcribed Text] MOSCOW, March 1 (Itar-Tass) — Ex-President of the USSR Mikhail Gorbachev, who turns 65 on Saturday, today made "an important political statement" at a press conference announcing his intention to run for the presidency of the Russian Federation.

Gorbachev proposed forming a broad-based coalition of different political forces around his candidature.

"For myself I have already made the decision on participating in the elections," Gorbachev told the press conference in the Postfactum news agency. He added that a formal announcement to that effect would come somewhat later.

The former Soviet President believes that "all reformer, democratically minded leaders, parties and movements must rally and advance towards the elections as a single

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team upon agreeing on the distribution of the key posts in the government and making their agreement public."

Gorbachev called for a prompt convocation of a national forum of democrats in order to work out a joint plan for action. He said the coalition must bring together a wide range of forces "from Svyatoslav Fedorov and social democrats to Yavlinskiy inclusive."

If such a coalition is formed and decides to nominate another person, Mikhail Gorbachev said he was "ready to obey."

If an alliance of democrats fails to emerge, he will run in the elections all the same, Gorbachev said in response to a question from Itar-Tass.

Russia: Yavlinskiy Confirms Non-Support for Yeltsin

LD2902233596 Moscow NTV in Russian 1635 GMT 29 Feb 96

[Interview with Grigoriy Yavlinskiy, leader of the Russian Yabloko bloc, by Yevgeniy Kiselev — live; from the "Hero of the Day" program]

[FBIS Translated Excerpt] [Kiselev] Good evening. This is Yevgeniy Kiselev is in the "Hero of the Day" studio.

The leaders of the democratic parties and movements who asked the same question many times today — how could they comment upon the statement made by President Yeltsin in the Kremlin yesterday in reply to the question as to why the democrats suddenly had begun to call again for supporting him in the presidential elections — may be called heroes of the day today. [passage omitted]

Grigoriy Yavlinskiy, a leader of the democrats and presidential candidate from the Yabloko bloc, is live in the "Hero of the Day" studio today.

Grigoriy Alekseyevich, what do you think about what the president said yesterday?

[Yavlinskiy] Good afternoon. I have heard a great deal from our president — the most diverse words on various themes. Therefore, there was for me nothing surprising in what he said. I would like to reconfirm that we won't support President Yeltsin.

[Kiselev] Not under any conditions?

[Yavlinskiy] No, not under any conditions. And the policy being carried out by President Yeltsin and what the Communists want to do in our country are equally unacceptable to us. We think that the proposals by the Communist Party are unacceptable for our country today in any event. And it is a very dangerous thing. And we are convinced that to continue the policy which Boris Nikolayevich has been following for the past three or four years is completely destructive for our country and for democracy in particular.

[Kiselev] Thus, all the talk which I personally have heard in the political corridors, so to say, about it being possible that you will be co-opted into the president's team is absolutely groundless?

[Yavlinskiy] Absolutely groundless.

[Kiselev] Even, let's say, if the president proposes that you support him on the condition, or let's say promising, that you will be given the portfolio of prime minister?

[Yavlinskiy] Such a trade-off is inappropriate. After all, what is at issue is not posts. What is at issue is our country and the problems that the citizens in our country are coming up against. Our president is incapable of resolving these problems. Four years have shown that, and he won't be able to change that situation over the next three or four months.

[Kiselev] And if he changes it, what will you do then? Well, let's just suppose — the president is the supreme commander. He has enough powers to change the situation around the war in Chechnya which is concerning the electorate. Ultimately, the president may take steps to repay the wage debt, to index-link savings lost as a result of the 1992 savings' bank reforms, and so on and so forth. All your cards will have been trumped.

[Yavlinskiy] Yevgeniy Alekseyevich, the president won't be able to bring back to life 50,000 people who died for nothing. The president won't be able to reply to the question as to why, as a result of his reform policy, the irreconcilable opposition, which is striving to change the political regime in the country, practically has come to power. The president will not be able to reply to questions as to why the whole country has turned into a mafia, a corrupted power. It is not possible to put such things right over these months. I think this is naive and flippant. The president is an historical figure. He has done a lot for Russia but that stage is over. Russia should look to the future today. Russia's future cannot be calm and the sort of future it can rely on if a communist is president or if today's power remains. [passage omitted]

[Kiselev] You are putting yourself forward for the post of president. Can you guarantee that you are a strong power, a driving force for reforms?

[Yavlinskiy] What is at issue is not one person standing up against something. What is at issue is that it is necessary to organize a strong power. A strong power can be organized only if you have a program which is

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clear and intelligible to citizens, showing how that can be done.

[Kiselev] Do you have one?

[Yavlinskiy] Yes, we do and it will be presented to society. I hope it will be shown.

[Kiselev] When?

[Yavlinskiy] As soon as we have the right to campaign. That will happen quite soon because we are gathering signatures rather successfully.

[Kiselev] Will you gather a million signatures?

[Yavlinskiy] If we gathered a million signatures the last time, I don't think that it will be very difficult for us this time. It is not a matter of gathering signatures. It is a matter of Russia not having a choice between bad and very bad. That is very humiliating, both for democrats and for non-democrats. And moreover, the fact of the matter is that the president of Russia is not the leader of the democrats. And Russia doesn't need a president who is a communist. Russia needs a president of the Russian Federation, that is, this is what the citizens living in our country need. It is namely with these views that we are going to the elections and I am absolutely convinced that the majority of citizens in our country do not wish for the return of communists to power and at the same time they do not wish to live as they are living today. Even if you pay them their wages twice over, I think that this won't be enough for them to agree to keep everything again as it is today.

[Kiselev] You have said a few times, even during our conversation today and before that you have made public statements condemning communists, and as it were, defining your position, a position which boils down to you not supporting communists under any conditions, to you not supporting them, not welcoming their advent to power. Reproaches are made that these statements were expected from you much earlier, after the story with the election of the speaker of the State Duma when Yabloko was accused of a secret plot with the Communists with a view to preventing the election of Russia Is Our Home to the post of speaker. Why did you not come out with a tough statement then?

[Yavlinskiy] Why should we come out with a tough statement every time an accusation is made? [passage omitted]

[Kiselev] In the last "Itogi" bulletin we published a poll carried out by the Center for the Study of Public Opinion which bears witness to a certain trend towards a growth in the president's popularity and incidentally, your popularity began to fall at the same time. What can you say about that?

[Yavlinskiy] The president is carrying out a campaign. It is possible that his popularity rating will continue to rise, but it is still not enough for him to get into the second round of elections, as you know. As far as I am concerned, yes, I am experiencing great difficulties in the television, in the press. There are very big problems. There are very big difficulties of this type but I think that I will cope with them nonetheless.

[Kiselev] So you think that the press, the television which does not give you enough air time, enough newspaper columns, is at fault.

[Yavlinskiy] No, I'm not looking to pin the blame on anyone. You asked me what explanation I could give. I gave one.

[Kiselev] You are not looking to pin the blame on anyone. I did not mean to set you looking to pin the blame on anyone, of course, but look — Yegor Timurovich Gaydar, in explaining his position today to our correspondent as to why there was a failure to agree on a single candidate representing the democratic forces, on why, let's put it like this, there are problems between the various spectrums, between the various components parts of the democratic movement, including Yabloko and Russia's Democratic Choice, essentially said that you are a weak candidate. [passage omitted].

I won't ask you what you think about whether you are a weak candidate or not. You probably wouldn't take part in the presidential race if you thought you were a weak candidate. I want to ask you something else. If you don't manage to be put forward as a single candidate for the democratic forces, do you feel strong enough to win alone, without the support of Gaydar?

[Yavlinskiy] The party of Yegor Timurovich Gaydar is a large party. I am interested in all forces which do not want to support the Communists, cannot support them and cannot support Boris Nikolayevich Yeltsin. I think that the political spectrum of such forces in Russia is very broad and namely these forces, excluding, of course, Zhirinovskiy and the like, is big enough to win in the first round.

[Kiselev] Apart from Gaydar, who else could you form a union with to form a bloc, a front, call it what you will?

[Yavlinskiy] I defined the frontiers rather precisely. We are ready to form a union with all forces which do not support the Communists and do not support the present power in the person of Boris Nikolayevich Yeltsin. To this may belong a rather broad spectrum, beginning with right-wing parties, some of which have already expressed their views, such as the Party of Economic Freedom....

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[Kiselev, interrupting] You mean with [Konstantin] Borovoy?

[Yavlinskiy] I mentioned to you parties which made a decision on this yesterday. There is Ella Pamfilova. There are other political leaders who are in the same situation as Russia's Democratic Choice.

[Kiselev] I fear that such talk won't be clear to all television viewers. Are you prepared to form a union with [Aleksandr] Lebed?

[Yavlinskiy] We are prepared to discuss that question with him and we are discussing that question with him. Our approach to that question is a responsible one in order to guarantee to our electorate what we consider to be correct.

[Kiselev] What about Svyatoslav Fedorov?

[Yavlinskiy] We are prepared to discuss that issue with him, too.

[Kiselev] So the situation is the same?

[Yavlinskiy] Yeah, and we are holding consultations. That is natural. We are not holding any secret consultations at all. We took our decision at the congress. I try to talk to my electorate as much as I can in order to avoid what could be called corridor-socialite politics. We are open for these talks and we are stating clearly the frontiers. We think that Russia should not be subject any more to communist experiments and we appreciate the danger of them and Russia cannot remain any longer in the situation in which it is in today. Both are absolutely unacceptable to us. Moreover, we do not want to choose between two evils. We think that a new generation of politicians should be chosen at last, those who are capable of resolving vital problems, not of paying wages just once — and it's not clear why they weren't paid before — but of guaranteeing in principle all the necessary democratic freedoms and the economic prosperity of the country.

[Kiselev] But Grigoriy Alekseyevich, let's imagine that a representative of the generation of new Russian politicians has not managed to get through to the second round of the presidential elections. Let's suppose that they are right — and they are in the majority — who predict that Yeltsin and Zyuganov will meet in the second round. In this situation will you call upon your supporters to vote for Yeltsin, in a situation in which society is faced with the choice of a lesser of two evils?

[Yavlinskiy] Well, you see, that's what the majority in Moscow think. Moscow is very different from the rest of Russia. In the last elections I had the opportunity to meet 70,000 of my electorate and not just my electorate. [passage omitted]

The fact of the matter is that it is unlikely that Boris Nikolayevich will get through to a second round — that's the problem, and if he does get through to the second round, he will probably lose to Zyuganov. There can be no doubt about that. That's exactly how it will be.

As far as what we will do in a second round should a candidate other than ours get through and should the choice be between two evils, a big one and a small one, — I think that we will decide that question after the first round. What we are interested in today is the first round only and we are not yet replying to questions such as to "whom do you love best — mommy or daddy?"

[Kiselev] Thank you Grigoriy Alekseyevich, our time is up.

Russia: 'Third Force' Coalition To Back Lebed for President

LD2902200396 Moscow ITAR-TASS in English 1713 GMT 29 Feb 96

[By Itar-Tass analyst Tamara Zamyatina]

[FBIS Transcribed Text] MOSCOW, Feb 29 (Itar-Tass) — A new coalition of Russian centrists and hard-liners, ambitiously calling itself Third Force, has announced that it would back law-and-order General Aleksandr Lebed, former commander of Russia's 14th army in Moldavia's breakaway Dniester region, in his race for presidency.

The coalition was founded by well-known eye-surgeon Svyatoslav Fedorov, film director Stanislav Govorukhin, ex-Yeltsin minister Sergey Glazyev and leftist hard-liner Sergey Baburin, leader of Russia's All-People Union (ROS).

"We want to unite the voters who do not wish to choose between the two major rivals for presidency — communist Gennadiy Zyuganov and Boris Yeltsin," said Konstantin Zatulin, a leader of the moderate nationalist Congress of Russian Communities (KRO), architect of the coalition.

Zatulin told Itar-Tass that under the agreement, the coalition members (all potential nominees themselves), will withdraw from the presidential race in favor of the frontrunner.

Third Force is planning to garner support from Derzhava (Great Power) party leader Aleksandr Rutskoy, and some other centrist blocs.

However, there are reasons to doubt that Fedorov will make way for General Lebed or any other candidate. Speaking recently to independent NTV television, he

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angrily dismissed such a possibility insisting that he has good chances to become head of state himself.

Moreover, last weekend, Baburin's ROS supported Zyuganov as a candidate for presidency.

As of now, Lebed is metaphorically a "general without an army." He can only gain real support from KRO which is in deep crisis after a stunning defeat in the December parliamentary elections. In an interview to Tass, Zatulin openly confirmed a split in his party.

According to Zatulin, KRO leader Yuriy Skokov "sets his private opinions against the will of the KRO congress which nominated Aleksandr Lebed as a candidate for presidency." Moreover, Skokov instructed KRO regional leaders against canvassing signatures to support Lebed or financing his election campaign.

Earlier, analysts warned Lebed that his allies only wanted to use his image to get seats in the Duma. Skokov, after failing to win a Duma seat, changed the tactics of supporting Lebed to trying to strip him of all political prospects.

Betrayed by Skokov, Lebed dashed "from the frying pan into the fire" — in the Duma he joined a pro-communist group of former Soviet premier Nikolay Ryzhkov.

Supposedly, Lebed made that move in the hope of getting a Defence Minister portfolio in case of the communists' victory at the June elections. However, Zatulin does not believe that the alliance between the general and the communists is possible. He also thinks that Lebed made a mistake turning to Ryzhkov's group.

Lebed attracts various political forces which are now vying for this charismatic and perspective figure. Igor Klyamkin, a political analyst, says Lebed has an image of an "honest soldier who has challenged the authorities" which makes him an attractive figure for potential voters.

However, Klyamkin says that on the other hand the popular general has a limited electorate since he represents the interests of the army and a small segment of patriotically-minded civilians lured by the idea of a strong state.

Still, Lebed remains an attractive personality for both communists and centrists. He is now more cautious in choosing his political partners after learning from personal experience what allies can be like.

Officially Lebed remains head of the KRO Moscow regional branch, but apparently counts primarily on the Third Power coalition whose goal is to show its worth during 100 days before the June elections.

Third Power has no real influence so far, although the idea to create it certainly seems good inasmuch as politics is an art of winning through coalitions. However, the liberal reformers have not succeeded in it, letting the centrists take the lead.

Russia: TsIK Receives More Presidential Nominations

LD0103113696 Moscow INTERFAX in English 1016 GMT 1 Mar 96

[FBIS Transcribed Text] MOSCOW, Mar 1 (Interfax) — Russia's Central Electoral Commission [TsIK] has received appropriate presidential nomination papers from 14 new action committees.

Among the candidates supported by the action groups are leader of the Russia's Democratic Choice Party Yegor Gaydar, leader of the Russian Industrialists' and Entrepreneurs' Union Arkadiy Volskiy, and ex-Federation Council member Vladimir Podoprigora. Three of the committees support Boris Yeltsin's bid for re-election, commission secretary Aleksandr Veshnikov told Interfax.

The Central Electoral Commission has registered a total of 59 action committees and legal representatives of electoral associations in the run-up to this year's presidential elections. Ten of these support Boris Yeltsin, while two support Gen. Aleksandr Lebed.

Russia: Yeltsin, Gaydar Launch Series of Consultations

LD2902160396 Moscow ITAR-TASS World Service in Russian 1423 GMT 29 Feb 96

[FBIS Translated Text] Moscow, 29 Feb (Itar-Tass) — Boris Yeltsin met today the leader of Russia's Democratic Choice [DVR] party Yegor Gaydar, thus launching a series of political consultations with leaders of reformist forces. They discussed proposing a single presidential candidate from democratic forces, the press service of the head of state has reported.

The president and the leader of the DVR have discussed the distribution of the political forces in the country on the eve of the elections. Yegor Gaydar informed the president of the demands that the DVR council would expect a presidential candidate to meet. The DVR leader also informed the president of the plan of the Chechen settlement suggested by his party, the report says.

Speaking about economic policy, the president said that "the present budget policy must not and will not become a hostage of the electoral campaign." The head of state will stand firmly by this position, the press service said.

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Russia: Gaydar To Back Yeltsin Under 'Three Conditions'

LD2902164696 Moscow ITAR-TASS World Service in Russian 1541 GMT 29 Feb 96

[By ITAR-TASS correspondent Tamara Zamyatina]

[FBIS Translated Text] Moscow, 29 Feb (itar-tass) — Yegor Gaydar, leader of the Russia's Democratic Choice [RDC] movement, set out at his meeting with Boris Yeltsin today three conditions; if these are met, the RDC will support the current head of state at the forthcoming presidential elections. Speaking to the ITAR-TASS correspondent after the meeting, which lasted over an hour, Yegor Gaydar said that henceforth "it will depend on Boris Yeltsin himself whether supporters of the RDC vote for him at the elections."

The first condition is to stop the war in Chechnya. Gaydar supported it by a plan of the peaceful settlement of the crisis which was developed by the RDC with his personal participation.

The second condition is to change the cadre policy in which, according to Gaydar, the president gives priority to antidemocratic personalities. Gaydar named Defense Minister Pavel Grachev, Federal Security Service Director Mikhail Barsukov, the president's administration head Nikolay Yegorov among the latter.

The third condition, with which, Gaydar said, the president had fully agreed, was that "the budget policy should not become a hostage of the electoral campaign."

"It is now Boris Yeltsin's turn to tell the democrats whether he is prepared to meet our conditions for us to support him at the elections," Yegor Gaydar said. He pointed out that the president listened to him "seriously and carefully."

Russia: Yeltsin Blamed for Agriculture's Plight

MM0103092696 Moscow SELSKAYA ZHIZN in Russian 29 Feb 96 pp 1, 3

[Article by Anatoliy Sidorov: "From the Rural Vantage Point: Culprit Found...."]

[FBIS Translated Text] Last Friday [23 February], when presenting his annual message to the Federal Assembly, our president related in particular what he had seen from his state vantage point. According to him, it had not been possible to make 1995 the year of real agrarian reform: None of the tasks of agrarian reform have been implemented. The president, the head of the executive, also pointed to a culprit: "It is not surprising that the state of the agro-industrial complex is still deteriorating and that Agriculture Minister Aleksandr Nazarchuk has been sacked."

By and large the head of state saw a sorry picture and — so high was his vantage point and so broad the field of view — he drew, as usual, conclusions that rural workers found staggering: "In this sphere (agriculture — author's note) haste and the imposition of far-fetched schemes are inadmissible. But it is obvious that a real upturn in the agrarian sector is only possible if private ownership of land and its turnover start to gain a foothold and citizens' right to mortgage and lease land is ensured...."

Let us try to grasp this wisdom. It is known for certain that only last year the president and the head of his government signed two edicts and six decrees seemingly designed to support the Russian agro-industrial complex. What has happened to their implementation? Here are the facts. Only 40 percent of the appropriations stipulated by Russian Federation federal law for the funding of capital investments for the Ministry of Agriculture and Food have been allocated, moreover the bulk of that money has been used to cover...debts for 1994. In other words, whereas in 1991 agriculture received 31 percent of the country's budget, last year the figure was regrettably only 11 percent. Is that not why in terms of consumption the country has dropped from seventh to 40th in the world?...

Given that all this expenditure was approved by the government but not guaranteed by the corresponding ministries, the culpability of Agriculture and Food Minister Aleksandr Nazarchuk is extremely hypothetical. Since the state's top officials have described agriculture as a "black hole" that swallowed up all the people's money, the following question is reasonable: What could an ordinary minister have done for the countryside?

While chairman of the State Duma Committee for Agrarian Questions, A. Nazarchuk was involved in the drafting and adoption of two laws "On Procurements and Shipments of Agricultural Produce, Raw Materials, and Food for State Needs" and "On Agricultural Cooperatives." Had they been implemented in part at least, we would be leading a better life! It was you, Mr. President, who failed to sign the law on state regulation of the agro-industrial complex, which had been elaborated under the guidance of the now disgraced minister and which spelled out a program for the stabilization of the sector through the year 2000. It looks as though you think that it is better for the Russian peasant to live not by the law but by your orders. What has the minister got to do with it when someone else entirely is to blame? Why try to duck responsibility, gentlemen?

Was it not on your instructions, Boris Nikolayevich, that reforms did not just begin hastily and far-fetched schemes were not just foisted upon people, they were

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put into practice virtually on pain of criminal proceedings for even attempting to resist the Kremlin's pressure and high-handedness. It was as a result of the Kremlin's threatening instructions that land has been hastily divided into shares since January 1992, kolkhozes have been renamed joint-stock companies, limited partnerships, and so on, and people have refused to buy our native Russian meat, butter, milk, and bread. Was it not you who opened not doors and gates but all the state's borders to increased imports of stale food? Unmarketable U.S. goods now account for around one-half of all food in our country, while the figure is around 80 (!) percent in the capitals. It was not Nazarchuk who opened up these borders!

How can the labors of the current Russian crop farmer be described as anything other than slave labor? After all, in Russia last year alone he failed to receive 2.6 trillion rubles [R] for his labor and R9.4 trillion for his produce. Do you think that is the point of departure from which that farmer should continue with reform and move toward market prosperity? After all, one "Don" combine harvester alone costs almost R0.5 billion. Can reforms continue to be driven on by spadework? Needless to say, poverty is easily visible from the lofty vantage point, but riches should also be visible; where are they? Do riches only lie in the extensive, market-oriented sale of land?

In Moscow Oblast (Moscow Oblast!!) land is already being sold cheaply (in Moscow terms, of course). What about Arkhangelsk Oblast? And elsewhere in the country?.... With what is it to be bought when peasants have not been paid for months and their wages are one-third the Russia-wide rate? Who will buy it when hectares of land already belong to private individuals (over 95 percent of agricultural enterprises and private farms have received a certificate of land ownership; citizens own and use over 140 million hectares — around 63 percent of Russia's agricultural land) and the banks, where it is effectively mortgaged and remortgaged as a result of debts, deferrals, and interest payments thereon. And banks will not sell it on the cheap. Bankers are now stashing away kolkhoz money to such an extent that even they are at a loss. And the only thing that "dribbles" into rural accounts is interest for bank loans. Naturally, in the "debit" column. The banks have already received over 20 trillion in debts of this kind.

Needless to say, a great deal can be seen over long distances from the presidential heights. Regrettably, this time too the main aspect of rural affairs — the countryside itself — has not been seen.

Russia: Zaveryukha Comments on New Agrarian Movement

964F1137A Moscow SEGODNYA in Russian 7 Feb 96 p 2

[Article by Mikhail Lantsman: "President Yeltsin and Deputy Prime Minister Zaveryukha Discuss the Economic State of the Agro-Industrial Complex—Mr. Zaveryukha Breaks Away From the Agrarian Party To Consolidate Peasants 'In a United Movement'"]

[FBIS Translated Text] Yesterday's meeting between Russian President Boris Yeltsin and Deputy Prime Minister Aleksandr Zaveryukha, in charge of agrarian matters, was of a planning nature.

Judging from the president's most recent statements, the agrarian sector presently occupies third place in the listing of priorities, following the social sphere and machine-building complex. Meanwhile, Mr. Zaveryukha recently stated that "the country's agrarian sector has no place left to retreat." According to his data, agricultural production decline last year surpassed the industrial sector indices by almost double, reaching 8 percent.

Commenting on the results of yesterday's meeting, Mr. Zaveryukha told the INTERFAX agency that the president had expressed "concern over the course of preparation for this spring's work in the fields and over the problem of food supply to the country's populace overall." Acquainting himself with the draft government decree on measures to stabilize the economic situation in the agro-industrial complex, the president appended instructions "to ensure full volume of implementation," according to Mr. Zaveryukha. In the deputy prime minister's words, in the very first half of the year, the agro-industrial complex will obtain 60 percent of the appropriations stipulated in the 1996 budget.

But Mr. Zaveryukha is disturbed not only at the economic state of the agrarian sector. Yesterday through INTERFAX, prior to his meeting in the Kremlin, the deputy prime minister disclosed his analysis of the political "weight" of the Agrarian Party of Russia following the parliamentary elections. In his opinion, the Agrarian Party has lost its ability to unite rural commodity producers, "and what is more—its ability to express and stand up for their interests." Mr. Zaveryukha accused his party comrades, headed by Mikhail Lapshin, of "chiefism" and lack of knowledge of the true situation in the agro-industrial complex. As a result, agrarian interests had been deprived of their platform in the parliament, in the deputy prime minister's view. Mr. Zaveryukha also noted the impossibility of uniting Russia's peasantry under the banners of the Agrarian

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Union of Russia, headed by former GKChP-ist [State Committee for the State of Emergency] Vasiliy Starodubtsev. In the deputy prime minister's opinion, the Agrarian Union "is intensively striving to politicize itself, taking up an increasingly antireformist position." Mr. Zaveryukha links the return of political influence to rural localities with the establishment of a new public association—the United Agrarian Movement of Russia. He intends to hold the first congress of the Agrarian Movement in late February or early March, on the eve of the planting season. Mr. Zaveryukha told INTERFAX that he was satisfied with his discussion with the president.

Russia: Cabinet Urges Reducing Reforms' 'Social Cost'

LD2902134396 Moscow ITAR-TASS in English 1313 GMT 29 Feb 96

[FBIS Transcribed Text] MOSCOW, February 29 (Itar-Tass) — The results of Russia's socio-economic development in 1995 and objectives for 1996 were discussed today at the extended meeting of the government of the Russian Federation, which was presided over by President Boris Yeltsin.

As a result of continuing reform, the first signs of stabilisation appeared last year. The price growth rate is declining, but it is necessary to review the country's economic policy with a view to reducing the social cost of reforms, according to one of the main conclusions drawn by the Cabinet after hearing Prime Minister Viktor Chernomyrdin report on reforms and remarks by government members, primarily those responsible for economic policies. President Yeltsin summed up the results of the discussion in closing.

"On the whole, we are at one in our evaluation of the obtaining situation and our approach towards the solution of Russia's social and economic problems. There is a ground for concerted and consistent actions, for the continuation of reforms," the President said.

According to Yeltsin, he agreed with government chairman Chernomyrdin's words that 1995 was not fruitless. "There are results, there are first signs of stabilisation," the President stressed.

Yeltsin drew the attention of the government to the need to put the protection of social and economic rights in focus of its efforts and to strengthen guarantees of the inviolability of the rights of citizens and enterprises.

"This is not election campaign rhetoric," the President said. "I ask all of you to realise that the fate of reforms depends directly on these things," he said.

Yeltsin stressed that he was expecting "the Cabinet of Ministers to come up with concrete proposals for raising the effectiveness of budget spending for the maintenance of the social sphere."

Reforms must be carried out for the sake of the people, for the sake of making their everyday life better, the President declared.

"Let us, at last, think about the people and the way in which every decision of the government is reflected in their life, and then our actions will win new supporters to Russian reforms," Yeltsin said.

It is time for the government to begin direct and frank dialogue with the compatriots, Yeltsin said. According to him, it is necessary to make understandable to the citizens of Russia "where the country is heading, what will be done, what results we expect to come out of it and in what specific way they will reflect on the people's everyday life," Yeltsin said.

The government of Russia, all of whose members are staunch supporters of President Yeltsin, cannot allow the head of state to lose the presidential elections in summer, the government "cannot lose the elections of the head of state," Prime Minister Viktor Chernomyrdin said in his report to the government.

Boris Yeltsin's victory of the elections of the head of state is tantamount to winning "a democratic path of development for Russian society, strengthening the state on the basis of the Constitution," the Prime Minister said.

According to Viktor Chernomyrdin, the year 1996 has been named "a year of solving social problems. For the first time, we have every possibility for directing the economy towards the social sphere," and this policy will continue also in 1997, Chernomyrdin said.

Chernomyrdin described as "absolutely fair" the critical remarks concerning the government's last year social policy contained in the message of the President of the Russian Federation to the Federal Assembly.

He stressed that the government intended to respond with a number of steps soon to the President's critical remarks about the delayed wages. Before March, the Cabinet of Ministers will submit a draft law on compensation for the delayed wages.

The government is setting up a commission under first Vice-Premier Vladimir Kadannikov to supervise the timely payment of wages from budget funds at all levels, he said.

The government plans to raise wages to civil servants and army servicemen in March, the Prime Minister notes.

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At the same time, while revising the economic policy with a view to cutting the social cost of market transformations, "we have no right to give up the key market instruments of controlling the national economy," the head of government said.

Chernomyrdin said the government would continue to pursue a tough financial policy and reject any populist measures capable of undermining the budget. He also said the government would carry on its privatisation policy aimed at forming a solid basis for a market economy, private property.

Despite the fact that many problems, primarily in the social sphere, still being decided, the government has already accomplished a considerable part of economic tasks designed to reform the Russian national economy, particularly in 1995, the Prime Minister said.

The prices in Russia in February grew by a mere 3 percent and further reduction in the price growth rate continues, Russian Prime Minister Viktor Chernomyrdin told the Cabinet.

The head of government said the unprecedented low price growth rate in February was "a record of its kind throughout the years of reform."

"The reduction of the price growth rate to 1-1.5 percent a month is finally becoming a real possibility," the Prime Minister said.

Russia: Zyuganov Deplores Chernomyrdin's Report

LD2902232096 Moscow INTERFAX in English 1947 GMT 29 Feb 96

[FBIS Transcribed Text] MOSCOW, Feb 29 (Interfax) — Russian Prime Minister Viktor Chernomyrdin's report at the expanded government meeting Thursday does not answer the main question of how to stimulate domestic producers, Communist leader Gennadiy Zyuganov told Interfax Thursday.

Nor did Chernomyrdin submit a government plan of action or explain how it was going to pay delayed wages from the budget, Zyuganov said.

Zyuganov backed Boris Yeltsin's criticisms against the government, but said it is not the only one to blame for the delayed wages. "It is the fault of the old economic course which drove the basic sectors of the economy to collapse," he said.

Zyuganov deplored the fact that Chernomyrdin's report said nothing on how to support small businesses, what to do to ensure that entrepreneurs themselves can afford to rent facilities at normal prices, and how to achieve acceptable banking interest.

Russia: Security Council Secretary Suffering 'Serious' Illness

LD2902191696 Moscow Russian Public Television First Channel Network in Russian 1800 GMT 29 Feb 96

[From the "Vremya" newscast]

[FBIS Translated Text] Because of the illness of Oleg Lobov, secretary of Russia's Security Council, there will be no meeting of the Security Council in the next few weeks. Doctors have refused to comment on the state of his health on the grounds of medical secrecy. However, a RIA-Novosti correspondent has learned from competent medical sources that it is serious.

Russia: Officials Comment on Kulikov's Proposals

964F1166A Moscow ARGUMENTY I FAKTY in Russian Feb 96 No 8, p 9

[Comments by officials under the heading "Specialists Comment on General Kulikov's Program": "V. Kadannikov: 'There Are Rational Kernels in the MVD Proposals'"]

[FBIS Translated Text] Leonid Fedun (vice president of LUKoil oil company): A. Kulikov's proposals on nationalization will bankrupt the budget.

Petr Mostovoy (head of the Federal Administration on Insolvency Affairs): Anybody who has a clear idea of which factors influence economic development as a whole will have no trouble separating the constructive from the unconstructive in these statements.

Mikhail Delyagin (head of the economic problems group under the president of Russia): Kulikov has put forward quite a sensible idea: that order should be imposed in the economy—but he expressed it in police language rather than the language of economists. Why nationalize Gazprom, which is a state enterprise anyway? If for the sake of establishing control over the economy, it does not make sense: In the Soviet Union it was fully owned by the state and at the same time remained uncontrolled. Such statements about nationalization could scare off foreign capital so badly that we will not see any investment for another five years.

Sergey Vasilyev (deputy minister of the economy): Many correct things are intermixed with rather illiterate statements. His motives are clear, but there are things that are impossible in principle, such as using foreign currency reserves to patch up holes in the budget. Nationalization of commercial banks would not bring any benefit, only destroy everything that has been created so far.

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There are, however, quite sensible things too: increasing excise taxes on oil while at the same time reducing export duties, and repealing tax preferences. Establishing control over such companies as the RAO [all-Russia joint-stock company] Gazprom and LUKoil is senseless nationalization—there are civilized methods of regulating the operations of natural monopolies, and besides, the state holds a considerable share in them.

Sergey Pavlenko (head of the Working Center for Economic Reforms Under the RF Government): One can understand the minister's anxiety over nonpayments in his agency and the penetration of commercial banks by criminal structures, but generally, statements of this kind can cause the flight of capital abroad. The current government is not going to conduct nationalization. If the minister wants to conduct nationalization, he should be serving a different government. Because if ministers of the current government, which is committed to protection of private property, do not want to do it, private owners will begin feeling rather uncomfortable in this country.

Gennadiy Melikyan (minister of labor): A. Kulikov brought up, in a timely and firm manner, the question of budget revenue. The country cannot continue living like this—we cannot finance budget-funded sectors, fulfill defense orders, and support the social sphere and culture. One-third of enterprises cannot pay today—they are potential bankrupts, they cannot get on their feet without the state's assistance, another third are on the brink, and the rest are quite able to pay both their employees and the budget. The problem is that we have today "zero" financial discipline on the part of the government, the Federation components, and enterprises. Therefore, probably, economic methods alone will not be enough here—enforcement methods are also needed.

Anatoliy Sidorov (academician, director of the Institute of the Economy and Organization of Entrepreneurship): Kulikov's manifesto reminds me of orthodox communist Nina Andreyeva's attack against perestroyka in 1985. Unlike her, the general proposes to turn back the economic process, which is fraught with serious social problems. The fact that the Russian Government still has not commented on the minister of internal affairs' economic program confirms the obvious: Anatoliy Kulikov is advocating the nationalization of some commercial structures at the prompting of higher-ups. Speaking on substance, for the national economy, returning under the government roof even such structures as the RAO Gazprom and LUKoil will produce no benefit. On the contrary, the government will have to find the money for their modernization and reconstruction. Solving financial problems by Kulikov's method will bury foreign investment in Russian industry.

Sergey Dubinin (chairman of the Central Bank): I do not see any economic sense in General Kulikov's proposal to partially nationalize commercial banks. Such measures will not bring in additional revenue to the budget, although some commercial banks would welcome the opportunity to shift their debts onto the government.

What I do agree with: Expenditures are currently being made in Chechnya that are impossible to monitor; any financing should be postponed until the end of military actions and only after that begin restoration. As to the Ingushetia free economic zone, this concern is well founded. Permitting any domestic business to register and at the same time be exempt from taxes is nonsense.

Vladimir Kadannikov (first deputy prime minister): My reaction to Kulikov's proposals is negative—they cannot be implemented. The government will not accept the idea of nationalization of banks and large enterprises. This is not going to change the situation, including in the MVD [Ministry of Internal Affairs]. If anyone thinks that a policeman will get paid more if more money is issued, they are mistaken—he will simply get more printed paper. In human terms, I can understand Kulikov—he gets piles of letters complaining that there is no money. But there are some rational kernels in his proposals, too—the crime situation requires MVD support.

Vladimir Gusev (head of the State Tax Service): I cannot agree with the nationalization of commercial banks—this will produce practically no benefit for the state. There are also sensible proposals—we need to pass a law requiring the declaration of expensive purchases, housing construction, and apartment purchases. We are working on this jointly with the Ministry of Finance.

Gennadiy Fadeyev (minister of railroads): The ministers should figure out how funds bypass the budget and why; in particular, A. Kulikov named some ministries that lease out buildings, receive substantial amounts, and do not transfer them [to the treasury]. It is also well known that commercial banks make huge amounts on the float; however, he does not propose a mechanism for getting out of the situation in a civilized, normal, noninjurious way.

Viktor Chernomyrdin (chairman of the RF Government): Our people certainly do not lack original thinking, and it is not against the rules anyway. One can understand that Anatoliy Kulikov is pained by the problems of the military and law enforcement agencies.

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Some of his proposals deserve a serious look in the government, although in content they are nothing new. Therefore, they will be discussed not in the way they are presented but from the angle of solving already identified problems.

Russia: Decree Issued on Executive Branch Personnel

964F1241B Moscow ROSSIYSKAYA GAZETA in Russian 20 Feb 96 p 6

[Decree of the Government of the Russian Federation signed by Chairman of the Government of the Russian Federation Victor S. Chernomyrdin; date not given: "On Members of the Collegium of the Federal Agency of Executive Authority"]

[FBIS Translated Text] For purposes of clarifying the status of members of the collegium of federal agencies of executive authority, their authority, and social guarantees, the Government of the Russian Federation decrees:

1. It shall be established that:

the number of members of the collegium of the federal agency of executive authority shall be determined by the Government of the Russian Federation;

the collegium shall include leaders of the corresponding federal agencies of executive authority and their deputies (by position) and also leaders of the leading departments, administrations, divisions, territorial agencies, and, if necessary, representatives of other federal agencies of executive authority, leading scholars, and specialists, the overall number of whom, as a rule, should not exceed five;

the appointment and dismissal of members of the collegium of the federal agency of executive authority who are not members of the collegium by position shall be effected by a decision of the Government of the Russian Federation at the suggestion of the leader of the federal agency of executive authority;

the distribution of authority among members of the collegium of the federal agency of executive authority shall be effected by the chairman of the collegium—the manager of the federal agency of executive authority.

2. The collegium of the federal agency of executive authority shall be guided in its activity by the statute developed on the basis of the standard statute approved by the Government of the Russian Federation.

3. Leaders of federal agencies of executive authority shall be permitted, until the normative legal act on the monetary maintenance of federal state employees takes effect, to increase by no more than 10 percent the salaries of state employees who are members of the board within the limits of the wage fund allotted to these federal agencies.

4. Legal and social guarantees for state employees who are members of the collegium of the federal agency of executive authority shall be provided in compliance with federal laws and other normative legal acts on state service.

5. Transportation service, the provision of government communications, and also medical and sanatorium-health resort service for state employees who are members of the collegium of federal agencies of executive authority and also members of their families shall be provided according to the procedure determined by the Government of the Russian Federation.

6. The Ministry of Labor of the Russian Federation in conjunction with interested federal agencies of executive authority shall submit to the Government of the Russian Federation proposals for implementation of the provisions envisioned by Points 2 and 5 of the present decree.

[Signed] Chairman of the Government of the Russian Federation V. Chernomyrdin

Military Issues

Russia: Yeltsin Sees 'Virtually No Headway' in Military Reform

LD2902141696 Moscow ITAR-TASS in English 1352 GMT 29 Feb 96

[FBIS Transcribed Text] MOSCOW, February 29 (Itar-Tass) — The military reform has made virtually no headway in Russia last year, said here on Thursday President Boris Yeltsin, speaking at an enlarged meeting of the Russian government.

"I repeat again: I cannot describe as satisfactory the way the military reform is being conducted now," the head of state stressed. "I'll achieve a situation when the military reform is conducted consistently as well as systematically and when Russia possesses a combat-ready professional army."

According to Yeltsin, the difficult situation in the Russian military-industrial complex makes progress in the military reform more difficult. At the same time, the president stressed that he plans to srive for conducting the reform in the army in 1996.

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Russia: Grachev Says Army 'Capable, Controllable'

LD2902222196 Moscow INTERFAX in English 1740 GMT 29 Feb 96

[FBIS Transcribed Text] VORONEZH, Feb 29 (Interfax) — The Moscow Military District belongs to "the first strategic echelon, so it receives special attention from the Russian military leadership", Russian Defense Minister Pavel Grachev declared Thursday after arriving in Voronezh.

He said the formation of new first echelon border districts became an important aspect of the army reform after the collapse of the USSR. Among them he named the Moscow, Leningrad and North Caucasian districts.

"I find ridiculous talk which reduces army reform to cuts in the armed forces," the minister said. The Russian army is "capable, controllable and remains a guarantor of stability of this country," he continued.

His visit to the Moscow Military District was due to the end of the winter training period in the army. "I must know the situation in army formations in different parts of the country," Grachev said.

On Friday he plans to meet the command and personnel of the 20th Army Corps stationed in Voronezh region, local leadership and representatives of local munitions plants.

Russia: Increase in Arms Research, Sales Seen

LD2902143596 Moscow INTERFAX in English 1308 GMT 29 Feb 96

[FBIS Transcribed Text] MOSCOW, Feb 29 (Interfax) — Russia is increasing spending on army research programs, with as much as 12 percent of its defense budget to be spent on military research, First Deputy Prime Minister Oleg Soskovets told an enlarged Cabinet meeting Thursday.

According to Soskovets, the federal government is focusing attention on new markets for Russian-made army hardware, the Russian military sealed deals with 51 foreign partners in 1995, Soskovets said.

Army exports grew 80 percent to total U.S. $3 billion. Payments in 75 percent of military export deals were in cash, which, according to Soskovets, proves the high quality of the Russian-made military hardware.

The national armed forces have placed big orders with Russian weapons producers but the sale of Russian-made weapons to foreign buyers exceeded by 60 percent the sale of new army hardware to the national armed forces in 1995, Soskovets said.

Russia: New Naval Appointments Announced

MM0103105696 Moscow KRASNAYA ZVEZDA in Russian 1 Mar 96 p 1

[Report by Vladimir Maryukha: "New Appointments in the Navy"]

[FBIS Translated Text] By a 23 February edict of the Russian Federation president, Vice Admiral Vladimir Kuroyedov, chief of staff of the Baltic Fleet, has been appointed commander of the Pacific Fleet.

His predecessor in the post of Pacific Fleet commander, Admiral Igor Khmelnov, has been appointed chief of the Navy Main Staff. The admirals will commence their new duties in the course of the month, while yesterday Admiral Feliks Gromov, commander in chief of the Navy, introduced Vice Admiral Viktor Kravchenko to the Black Sea Fleet men, as commander.

Federal Assembly

Russia: Duma Commission To Discuss START-II Behind Closed Doors

LD2902223196 Moscow INTERFAX in English 1740 GMT 29 Feb 96

[FBIS Transcribed Text] MOSCOW, Feb 29 (Interfax) — The special commission formed by Russia's State Duma to work out suggestions concerning the ratification of the START-2 agreement intends to hold hearings on this issue once again behind closed doors, head of the State Duma Defense Committee General Lev Rokhlin (the Our Home is Russia faction) told Interfax by telephone from Volgograd.

The first parliamentary hearings held in the State Duma on February 19 showed that "the information granted by military experts was insufficient to enable the deputies to form their views on the key problems connected with the ratification of the agreement," he said. There was a need to receive additional information on three issues: how START-2 conforms to the country's defense interests, how it affects the efforts to maintain the necessary strategic potential of Russia's armed forces, and what is needed to honor commitments under the agreement in financial and economic terms, Rokhlin said. In addition there is a need to clarify the possibility of accepting the treaty's restrictions in view of the planned NATO expansion, America's continued endeavors to build an anti-missile defense system, and the development of conventional offensive arms, such as highly toxic weapons, by most Western countries.

In this connection, Rokhlin said, the State Duma Council suggested that the parliamentary commission should hold additional hearings, and subsequently consider the

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need to send enquiries to the president and government on granting additional materials to substantiate the START-2 agreement.

"On the whole the commission favors a well-considered approach to the ratification of START-2, proceeding from the assumption that the country's defense interests are the main criterion in resolving the problem of its ratification," Rokhlin pointed out.

According to the information obtained by Interfax, the new parliamentary hearings are to take place at the General Staff of Russia's armed forces. They are expected to be attended by the State Duma speaker and one of his deputies, by the leaders of factions and groups of deputies, and by members of the special parliamentary commission led by Vladimir Lukin, chairman of the International Affairs Committee.

Russia: Chairman Calls For Cutting Chechnya Rebuilding Funds

MK2902113096 Moscow NEZAVISIMAYA GAZETA in Russian 29 Feb 96 p 3

[Report by Marina Volkova: "Chechnya Costs Center Too Dearly"]

[FBIS Translated Text] "Russia is gradually turning into a criminal state. There is actually no boundary between high-ranking officials and criminal structures," Sergey Kalashnikov, State Duma committee on labor and social policy chairman, stated at a recent press conference. Undoubtedly, the men in the upper echelons of power in Moscow are interested in continued funding of rebuilding work in Chechnya. Everyone knows about numerous facts of stealing, but nobody dares to name the culprits. Money from the budget disappears, and this hurts Russian people. In January 1995, the State Duma did not pass the law on subsistence wage because there was no money in the budget. It was required to have 3.6 trillion rubles [R] to pay allowances to the needy. The same year, between R20 and R25 trillion was spent on Chechnya. Hence, by cutting funds for Chechnya by as little as one fifth, the law could have been passed. At the moment, back wages total R7.4 or R7.5 trillion, whereas President Yeltsin promises to set aside for the needs of the Chechen Republic R16 trillion and later another $1 billion. There is no knowing where this money would go.

As far back as in 1994, Sergey Kalashnikov forwarded a letter to Viktor Chernomyrdin outlining ways to improve the social programs which are based on the so-called horizontal principle. The program provides for the state customer (a ministry, as a rule) and authorized structures. The specific receiver [of funds] remains unknown. It was suggested that the social program be built so that there should be a feedback and a possibility to keep tabs on the money received. The letter, naturally, remained unanswered.

A considerable inflation-related indexation of wages and pensions planned for May will call for approximately R4 trillion. Should manufacturing enterprises be at the same time provided with low-interest credits, the current president would demonstrate his competence. It appears possible to find money to fund the social programs, at least by curtailing rebuilding work in Chechnya.

Regional Affairs

Russia: Yegorov Predicts Reformers, Democrats To Support Yeltsin

LD0103115096 Moscow ITAR-TASS in English 1124 GMT 1 Mar 96

[By Vyacheslav Bondarenko and Andrey Surzhansky]

[FBIS Transcribed Text] ROSTOV-ON-DON, February 29 (Itar-Tass) — Pragmatic people for whom the words 'reform' and 'democracy' are not mere abstractions will be Boris Yeltsin's main supporters in the coming presidential elections, according to Yeltsin's Chief-of-Staff Nikolay Yegorov.

The Presidential Chief-of-Staff, who was speaking during his visit to the Rostov region in southwestern Russia, said: "The period of political and economic eruption is over. At present, it is important to pursue a single policy that would make it possible to promptly correct inevitable mistakes and attain the set objectives."

In situations of this kind "the strength and might of the state often depend on the ability of its leaders to shoulder the fullness of responsibility at a decisive moment, and in this respect, hardly any other presidential hopeful can compete seriously with Boris Yeltsin," Yegorov said.

In any case, all the parties and movements which consider themselves to be democratic not in words but in deeds will undoubtedly back Boris Yeltsin in the coming elections, Yegorov said.

Russia: Perm Legislators Demand Yeltsin Stop Funding Chechnya

MK2902152196 Moscow SEGODNYA in Russian 29 Feb 96 p 3

[Unattributed "Provincial Chronicle" report from Perm]

[FBIS Translated Text] The Perm Oblast Legislative Assembly has appealed to Russian Federation President Boris Yeltsin demanding that the funding of measures

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for the restoration of the Chechen economy be stopped. The authors of the appeal also demanded that an emergency regime be instituted in Chechnya immediately, that army units no longer be used for military operations, and that all measures be taken to settle the conflict by political means as soon as possible.

Russia: Orenburg Enterprises Set Up Links With Peacekeeping Forces

MM0103095596 Moscow KRASNAYA ZVEZDA in Russian 29 Feb 96 p 1

[Report by Colonel Andrey Bondarenko of the Volga Military District press center: "Orenburg Governor Introduces Division to Its Sponsors"]

[FBIS Translated Text] Warm, friendly relations have developed between servicemen of the 27th Guards Motorized Infantry Division of the Russian peacekeeping forces and the Orenburg Oblast leadership. According to a directive of the oblast head of administration, reserve officer Vladimir Yelagin, major industrial enterprises of the South Urals are affiliated to units of the Russian "Blue Helmets" active in Abkhazia and the Dniester region and fighting in Chechnya.

The other day the Orenburg Oblast governor visited the Totskiy Garrison yet again and attended training sessions at the Russian peacekeeping forces' training center. He was accompanied by the enterprises' general directors.

Russia: Mayors Expect Candidates To Promote Local Self-Government

MM0103115296 Moscow ROSSIYSKAYA GAZETA in Russian 1 Mar 96 Weekend Edition p 3

[Article by Sergey Karkhanin: "Will the Siberian Mayors Echo the Kostroma Mayors?"]

[FBIS Translated Excerpts] The Union of Russian Cities believes that the presidential candidates should be concerned about self-government problems.

One one occasion Novosibirsk Mayor Viktor Tolokonskiy was asked why he visited the scene of all accidents and emergencies. ""How can I not?", the mayor said, surprised. "If something bad has happened, I cannot rest until I have put things right." Another mayor, although acutely ill and running a high temperature, stayed by his office telephone for several days until the heating system that had broken down in 20 apartment buildings was repaired. You could, of course, say this is indicative of a boss' lack of confidence in his subordinates or you might say it is a real boss showing a sense of responsibility. Be that as it may, 11 mayors have been re-elected at the elections that have been held in recent months in 12 kray and oblast centers.

"Without money and without any significant legal rights, these people are contriving to remain on top of the situation," Valeriy Kirpichnikov, president of the Union of Russian Cities, said. "They are also seeking unorthodox ways of keeping the city economy in reasonable shape. Viktor Tolokonskiy in Novosibirsk was one of the first to introduce bills of exchange, mutual offsetting of debts, and deliveries in kind into the local budget. In Stavropol the system of operating with credit resources has made it possible to carry out housing construction. Valeriy Sysuyev in Samara has arranged cooperation with major plants. I wonder whether any mayor abroad has had occasion to do this."

Shipment of products to the North and expenditure on corrective labor colonies, law enforcement officers' pay, and repair of state institutions' buildings — all this outlay, for one reason or another, is not paid for by the federal budget and often has to be met by the meager city treasury. Although their own sources of revenue are essentially not assigned to the local authorities on a long-term basis, as was said at a recent meeting between Presidential Chief of Staff Nikolay Yegorov and the mayors of the major Russian cities. That is why a paradox has arisen: It is disadvantageous for leaders to earn money for city needs, because above-plan revenue will be taken away by "them upstairs."

"I believe the mayors set great store at the June elections by the presidential candidate who incorporates in his program a section on the formation of a state structure and developed local authorities with sufficient rights and finance to tackle the day-to-day problems of citizens' lives," Valeriy Kirpichnikov went on. "Extreme political views are anathema to our mayors. Both the democrats and the Communists, and those who are indifferent to politics, live in houses, walk the streets, and travel on public transport. The city economy must operate normally — that is the mayor's main objective in his day-to-day work." [passage omitted]

These people rarely get a break. Cities bear the heavy burden of ensuring stability in the state and the inhabitants always appreciate those who are sincere in what they do. At the 25 February elections to local self-government in Stavropol Kray, mayors won re-election in five out of six cities. So the course of stability has been held.

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Russia: Communists Fail To Win Majority in Stavropol Legislature

LD2902162996 Moscow ITAR-TASS in English 1606 GMT 29 Feb 96

[By Nikolay Styazhkin]

[FBIS Transcribed Text] STAVROPOL, February 29 (Itar-Tass) — Communists failed to win a majority at the Stavropol regional legislature despite their own forecasts, the election commission announced on Thursday.

At the recent polls, their candidates received one third of seats in the regional duma.

Disregarding party membership, the voters gave preference to candidates having no high ranks. Only two out of 22 elected deputies head enterprises. The rest of them are teachers, doctors, journalists, i.e. those living the same life as their electors.

Mikhail Kuzmin, who was appointed city mayor by the Russian president over four years ago, was re-elected. He also belongs to no party as of today.

Russia: Presidential Security Aide Baturin Visits Kaliningrad

LD2902154596 Moscow Russian Television Network in Russian 1400 GMT 29 Feb 96

[Correspondent G. Sablin video report; from the "Vesti" newscast]

[FBIS Translated Text] Yuriy Baturin, presidential aide for national security, arrived in Kaliningrad on a two-day visit today.

[Begin Baturin recording] We have come here to study the interaction between power structures, first of all, the border troops, the navy, the army, and other departments. In fact, it is a follow-up to our major trip to the Far East. It was interrupted by circumstances, but now we are simply completing the implementation of presidential instruction. [end recording]

As to NATO's possible eastward expansion:

[Begin Baturin recording] This will have an effect on Russia's defense policy, but this is already an issue of our military doctrine. [end recording]

Within the program for the trip, Yuriy Baturin will visit Baltic fleet and border service ships, inspect the customs and border service at the Mamonovo crossing, as well as meet Yuriy Matochkin, head of the regional administration, to discuss the future of former military cantonments, the repayment of the Defense Ministry's debts, including wage arrears, the problems of Yantar shipyard, and other issues of the social situation of the military.

Russia: Minsk Seeks Greater Cooperation With Russian Oil Sector

LD2902194296 Moscow ITAR-TASS in English 1658 GMT 29 Feb 96

[By Vladimir Zuykov]

[FBIS Transcribed Text] NIZHNEVARTOVSK, Tyumen region, February 29 (Itar-Tass) - President Alyaksandr Lukashenka on Thursday urged greater cooperation between Belarus and Russia's oil-and-gas Tyumen region, which since Soviet times has become home for many Belarusians.

"We are looking for any possibility of having our specific businesses integrated with those in Tyumen," he told local oil industry workers in Megion, a township near Nizhnevartovsk hosting the major Megionneftegas oil and gas holding.

Lukashenka, currently touring the oil-rich province, on Thursday had a closed-door meeting with its leadership and top officials from its Khanty-Mansi and Yamal-Nenets autonomies. Although the meeting results remained undisclosed, some earlier statements by Lukashenka seemed to indicate that he was going to remind Russia of Belarus' contribution to the development of West-Siberian deposits.

Local residents asked him about double citizenship for those who had lend much effort to Western Siberia but still wanted to retain Belarusian citizenship, welfare and guaranteed housing. The president pledged to solve the problems during a forthcoming Minsk visit of Russian premier Viktor Chernomyrdin scheduled for March.

Lukashenka expressed satisfaction with what he managed to achieve during his first official visit to Russia.

"The understandings we have reached in Moscow will take the form of a large-scale agreement between Belarus and the Russian Federation already in March," he said in the Nizhnevartovsk city airport.

Lukashenka seems to feel easy on his tour about Siberia. Even there, he remained true to his sports preferences — as Tass has learnt, after all the business was over, the president went to the Megion city sports centre to play tennis.

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Russia: Protest Actions by Far East Defense Industry Workers

MM0103102296 Moscow IZVESTIYA in Russian 1 Mar 96 p 2

[Report by Boris Reznik: "Other People Lie Down on the Rails. Far East Defense Enterprise Workers Protest, Closing Railroad Line"]

[FBIS Translated Text] Far East — The collective of the "Zvezda" nuclear submarine repair plant from the city of Bolshoy Kamen, Maritime Kray, decided to halt trains on the Nakhodka-Khabarovsk railroad 1 March.

Its workers have not been paid since last August. The state owes the enterprise over 64 billion rubles for work that it has commissioned. Highly-skilled specialists working in rare professions, who are beyond price in any country that respects itself and its citizens, have been reduced to extreme poverty. Their families are starving. The "Zvezda" trade union committee provides the school with bread obtained on credit every day and shares it out among children. People are saying that this distribution of bread is no sight for the faint-hearted. Owing to lack of funds the plant is regrettably unable to do anything else now for people who have given it their expertise, strength, and often their health.

Workers at the Far East's leading military-industrial complex enterprise consider themselves hostages to the thoughtless policy and inept actions taken by the "fathers" of conversion, who do not even seem to have had any idea what they were doing or what they wanted to achieve as a result.

A collective from another Far East defense enterprise — the "Progress" plant in the city of Arsenyev — has also decided to back the "Zvezda" action. This aircraft association is well known for its development of the unique K-50 helicopter — or "Black Shark" as it is called by specialists — the best there is to date. Military people in many countries dream of acquiring these helicopters. It is only in their own country that no one wants them. And the people developing them are having to lead a miserable existence.

"I recall our president threatening to lie down on the rails if the improvements he had promised did not take place. But that is evidently what we will have to do in order to finally get him to pay attention to our troubles, to make him see that the only changes taking place here are for the worse. Moreover, they are taking place at great speed," "Progress" workers said the day before the protest action.

The people of Maritime Kray will quite likely be joined by Khabarovsk defense workers, who are facing just as many problems as their neighbors and who are just as impoverished. Dozens of military-industrial complex enterprises in Khabarovsk Kray have been left to rot. One of them, the "Amur Shipyard," will celebrate its 60th anniversary this year. It will be a sad anniversary: Shipbuilders have not been paid since September 1995.

"We are not asking for state subsidies, we are asking to be paid for the work we have done," shipbuilders wrote in an appeal to the president adopted at a city rally. "We have earned the money by honest, hard work and we want to lead a decent life."

Russia: Energy Crisis Creates Problems in Far East Region

LD0103080496 Moscow ITAR-TASS in English 0729 GMT 1 Mar 96

[By Larisa Byeloivan]

[FBIS Transcribed Text] VLADIVOSTOK, March 1 (Itar-Tass) — A frontier guard facility in the Primorye Region has been brought to a standstill as a result of an energy crisis. A check point was disconnected from the power supply network in Vladivostok on Thursday. Power supply will be resumed no earlier than on March 4.

The check point building was cut off from power supply together with several non-production facilities of the Vladivostok fishing port, on whose territory it is located. The command of the check point decided to discontinue the preparation of documents of the ships, which are planned to sail abroad from the territory of the Vladivostok fishing port.

Economic Issues

Russia: Yeltsin Issues Edict on Transfer of State-Owned Shares

MK0103063296 Moscow SEGODNYA in Russian 29 Feb 96 p 1

[Unattributed report: "The President Has Commissioned the Government To Prepare a List of Joint-Stock Companies' Shares To Be Transferred to Federation Components"]

[FBIS Translated Text] Boris Yeltsin has signed an edict "On the Transfer to Russian Federation Components of Federally-Owned Shares of Joint-Stock Companies Having Been Formed in the Course of Privatization." The document permits the government to offset the cost of the above shares as revenues from privatization and federal budget setoff payments. According to the edict, the government is commissioned to approve a list of shares of joint-stock companies, having been formed in

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the course of privatization, to be transferred to Russian Federation components.

Russia: Panskov Sees Budget Revenues Situation as Desperate

MK0103063196 Moscow SEGODNYA in Russian 28 Feb 96 p 2

[Report by Svetlana Lolayeva: "The Finance Ministry Has Stated That the Shortfall of Budget Revenues Is Catastrophic"]

[FBIS Translated Text] According to the main directorate of the federal treasury, in the first two months (two-thirds of the first quarter) of 1996, the treasury failed to receive 33.4 trillion rubles. The execution of the revenue section of the budget proved to be as low as 32.8 percent, with tax revenues being as low as 36.4 percent; privatization receipts, 9 percent; and gains from foreign economic activity reaching less than 25 percent of the planned figures. Only the plan for placing state securities on the market exceeded expectations. Revenues from selling state short-term bonds, federal loan bonds, and savings loans amounted to 7.5 trillion rubles, i.e., one half of all the tax revenues received (15.3 trillion rubles).

Finance Minister Vladimir Panskov said recently at a Duma Budget Committee meeting that, in addition to poor tax collection, which is traditional in the beginning of a fiscal year, the situation is being further aggravated by the fact that some revenues envisioned in the 1996 budget have, in reality, been secured by nothing. Moreover, in Mr. Panskov's words, a major reason for the shortfall of tax revenues is a widespread use of barter and ready cash in the payments between enterprises. For instance, in enterprises of the fuel and energy complex, as little as 30 percent of all payments are being effected through clearing accounts, while 70 percent are being executed through barter and cash payments.

Due to the considerable shortfall of revenues, the under funding of budget items amounted to 31.7 trillion rubles. Those affected most include targeted budgetary funds, state investments, and fundamental research, which received, respectively, 7.5, 28.9, and 34 percent of the funds envisioned for them in the budget. The funding for international activity was as low as 3.7 percent. Slightly over one-third of the funds envisioned in the budget were allocated to support mass media and culture. Law-enforcement agencies received a half of the planned amount. True, the funding of the Tax Police Department was nearly 150 percent, but, according to the finance minister, these funds have been largely used to settle last year's arrears of wages. All funds allocated under the "state management" item, in the amount of 59.8 percent of the planned figure, were also used for wages. A considerable portion of money allocated to agriculture, amounting to 104 percent of the sum planned for two months, was used to redeem last year's credits of commercial banks. Provinces received as little as a half of the financial aid planned.

The memorandum of the main directorate of the federal treasury ends in the not-very-comforting conclusion that if the situation with revenues persists during 1996, the shortfall of revenues and sources of funding to the federal budget will amount to 86.64 trillion rubles (which accounts for about one-fourth of the revenue part of the budget).

Unless the receipt of revenues is improved in the second quarter of 1996 the government will probably need to seriously adjust the budget and, as the minister promised, to ask that the Duma sanction an emergency regimen for the execution of the revenue section of the budget, which is currently in effect based only on an agreement between the government and the Finance Ministry.

As for chances that the situation regarding the receipt of revenues to the budget will considerably improve, this will depend on how rigid will be government's actions against defaulters — above all enterprises of the fuel and energy complex. The initial moves that have been made to this effect, such as the January edict of the president on the restructuring of debts of enterprises to the budget, will hardly be able to improve the situation considerably. Vladimir Panskov said, though, that another presidential edict is currently being prepared, which will allow for tax collection even if enterprises use cash for payments.

Russia: Agreement With IMF 'Deal of the Year'

MM2902170596 Moscow FINANSOVYYE IZVESTIYA in Russian 27 Feb 96 p 1

[Article by Aleksey Portanskiy: "IMF Has Not Had Client Like Moscow Since the Time of Bretton Woods"]

[FBIS Translated Text] Last week can rightly be described as the week of the IMF in Moscow and Michel Camdessus as its main hero. As for the receipt of $10.2 billion from the Fund, it would clearly be an underestimation of the event to look upon it as the success of the week — this is the deal of the year, to say the least.

I should make it clear that the allocated sum of extended credit has as yet been agreed only with the IMF executive director, who will recommend to the Fund's board of directors that this money be granted to Russia. However, the likelihood that it will go back on this is

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now extremely small. The first part of the credit should provisionally be in Moscow's hands after mid-April.

We have already mentioned the significance of this IMF loan to Russia on more than one occasion in some detail. If Russia was not granted this credit, the resulting chain of events would be as follows: There would be a budget deficit ($3.1 billion have already been included in the budget), a breakdown in talks with the Paris Club about long-term debt rescheduling, an abandonment of the planned issue of eurobonds, and a sharp decline in the inflow of foreign investment, and the country would lose its reputation for creditworthiness in the world arena.

It is no secret that the present Russian leadership staked quite a lot politically on the talks with Michel Camdessus — their outcome was destined to be entered into either the list of assets or the list of liabilities of President Yeltsin's election campaign. It is no coincidence that the joint government and Central Bank statement on economic policy was on this occasion signed during Camdessus' meeting with Boris Yeltsin. And though the Kremlin and government officials who are talking with the IMF chief formed the impression that their guest is now a convinced champion in the West of the reformist nature of Boris Yeltsin's team, this is not entirely the case.

The IMF is first and foremost not a political organization but a technical body acting in respect of any country on the basis of a set of concrete macroeconomic criteria and principles. According to Camdessus himself, the most important of them is very simple: The more sure a given country's reforms and economic stabilization policy is, the more effective and sizable the support from outside will be.

The IMF proceeds on the premise that the economic policy being implemented by the present Russian Government is the best for the country today and fully deserves the world community's support. There may be a change of power in Russia in the near future as a result of the elections, which is entirely normal in a democracy. But any new government, Camdessus thinks, will inevitably come up against the same harsh reality in the country, and must therefore agree that the current program is the best. If it continues to implement it, it will of course also enjoy the IMF's support. If, on the other hand, the new leadership refuses to carry out the commitments made by the present government, Camdessus stated, we will respect its decision but will be forced to suspend the conditional support without abandoning dialogue altogether.

The IMF executive director emphasized at a press conference after the talks that everything that had been laid down at the meetings in Moscow should actually be considered as the best program to rid Russia of inflation quickly and actively integrate the country into the world economy.

The program, or the joint statement signed by the government and Central Bank, which has still to be translated from English into Russian,is fairly impressive. By the end of the year the level of inflation should be reduced to 1 percent per month. The budget deficit should be reduced successively from 4 percent at the end of 1996 to 3 percent by the end of 1997 and 2 percent by the end of 1998 (in that case Russia will even meet the strict criteria of the Maastricht Treaty for EU countries!). It is planned to achieve this not so much by lowering expenditure, which has already been significantly cut, as by increasing budget revenue.

It is expected that there will be a 2-4 percent increase in GDP during 1997-1997, followed by an increase of 6 percent or more: The country's potential allows us to have such hopes, M. Camdessus considers. The program assumes that a steady balance of payments and a stable exchange rate will be achieved.

The program is also designed to improve the standard of living, although, according to Camdessus, all the advantages of a market economy have not yet been properly assimilated in Russia. Social protection will also improve. Incidentally, during the talks between the Fund's chief and the Russian Government a separate agreement was reached on a mechanism to pay unpaid wages as quickly as possible.

Calculated to cover a three-year period, the credit will be split into three main tranches, of which the first of $4.1 billion should, in Camdessus' opinion, be the largest, with a possible subsequent gradual reduction of the sums as the balance of payments and currency reserves improve. As was the case with the stand-by loans, money will be transferred on a monthly basis and will be accompanied by strict monitoring of the economic situation in the country.

The most difficult decision that the Russian Government has had to make in exchange for the extended credit is the abolition of export duty on oil and gas, which, however, Moscow promised the IMF it would carry out back in 1994-1995. Excise duty will replace export duty, which is to disappear by 1 July. But the collection rate of excise duty throughout the country is on average twice as bad as that of export duty (55 and 99 percent respectively). Hence the problem with funding the budget.

The IMF has also made complaints about the existence of many non-budget and sector funds as well as about the banking system.

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If you exclude the case of Mexico last year, when to prevent the peso's collapse it was given around $17 billion, the $10.2 billion credit granted to Russia is the greatest amount allotted within the framework of the IMF's standard mechanisms during the entire history of the IMF since the Bretton Woods agreements (1944).

Russia: IMF Loan Heralds Hike in Energy Prices

MM2902144996 Moscow SOVETSKAYA ROSSIYA in Russian 29 Feb 96 p 1

[Article by Professors Aleksandr Portnov and Igor Davidenko: "Fumble in Your Pockets. The Price of the IMF Loans Is 1,000 Bucks From Each of Us and 12,000 Tonnes of Gold From Russia"]

[FBIS Translated Text] The Kremlin is exultant. It has managed to extract another $10.2 billion from the IMF. As usual, Svanidze is hysterical: What a stroke of luck for Russia! Now pensions and wages will be paid. We fear this is not so!

From bitter experience of the last few "reform" years Russians have long since concluded that if the Kremlin rejoices, Russia will have to shed tears. And if anyone still does not know why, he will see immediately after the elections, because from June the prices of oil, gas, and all products inside Russia will increase 30-40 percent. This "post-election" price hike is because the main condition for the granting of 10 billion "greenbacks" to an economically and politically bankrupt regime was the lifting of duties on exported energy sources — oil and gas. The Chernomyrdin government pledged not even to reduce but simply to remove duties on this most important type of raw material for the West! This means that Russia, which was previously on its knees, is now simply prostrate and licking the polished boots of its new masters.

"Political scientists" like Svanidze can go on as much as they like about the charms of Western handouts. But they cannot answer the question of how the present authorities are going to pay wages in summer, fall, and so forth. Maybe Russia is going to pay the working people by means of further loans? The "political scientists" also remain silent about the awful facts characterizing the "democratic" economy.

After all, while the USSR owed the West just $20 billion, Russia's "democrats" brought the debt to a monstrous figure — $134 billion! This means that in "gold equivalent" Russia owes over 11,000 tonnes of gold, and this crazy amount of gold has been borrowed when there are just 300 tonnes of the precious metal in Russia's coffers! While the USSR paid $1 billion a year in interest, present-day Russia has promised to pay 7 billion "greenbacks" a year in interest alone!

But this monstrous debt did not seem enough to Yeltsin and Chernomyrdin. They began persistently to solicit a further $10 billion — despite the fact that the government has not said a word about where the money already received has gone and what it has been spent on. But every citizen of Russia is entitled to ask the president and also premiers, past and present, a legitimate question:

What have you used the colossal foreign loans for?

Where has over $100 billion gone?

Maybe thousands of silent plants and factories have gone back to work? No.

Maybe Russia's ruined light industry has begun to be developed? No.

Maybe the equipment of power industry complexes has been renewed? No.

Maybe an agricultural upswing has begun? No, no, and again no!

So who has pocketed the 8,000 or 9,000 tonnes of gold, three or four railroad trains full of gold ingots?!

And now Russia's rulers have borrowed another 800 tonnes of gold! But they do not lend money to the Kremlin bankrupts for no reason.

The lifting of duties on raw materials exported from the country means that each year the exchequer will receive $3.5 billion less, which is precisely equivalent to the sum that the government will borrow from the IMF. What does this mean? You might think that this is typical "Russian business": Steal a crate of vodka, sell it, and spend the proceeds on drink! We fear not! Those who are fond of jokes forget that thieves run the risk of jail! And Russia, which from the start of 1996 now owes 12,000 tonnes of gold, is effectively hopelessly mired in debt! The country must now pay $16 billion in interest alone! Where is the money to come from?..

The exultant Svanidze "forgot" to congratulate you, esteemed citizens of Russia, on scaling a new, unprecedented height: Now each of you, pensioners and babes in arms included, owes the West and East precisely 1,000 bucks! Naturally, Yeltsin will not pay on your behalf, he will take this money from your pockets by sharply hiking rents and the prices of municipal services, the telephone, food, clothing and shoes, school textbooks, and so forth.

Why was the regime in such urgent need of money? Why did the IMF provide it?

The answer is simple. The regime and its foreign masters are hoping to buy Russians ahead of the elections.

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They are doing everything to keep in power the new-found bankers and capitalists who have appropriated Russian property belonging to the whole people. But in the event of defeat the "democrats" want to confront any government, including an opposition government, with practically insoluble difficulties. It will have to pay the debts, but the money is all gone!

The doleful song of Russian slaves about the tax collector has come down to us from the gloomy era of the Tatar-Mongol yoke:

If you have no money, he will take your wife,

If you have no wife, he will take your child,

If you have no child, he will take your head...

Fellow citizens, Russians! Remember that even your unborn children will be in debt for Yeltsin's sins! Each of us will have to pay $1,000!

Grope in your empty pockets: Do you have that kind of money? No?.. Then consider how you are going to pay for the smiles presently on the faces of the destroyers of Russia sitting in the Kremlin: with your wife, your children, or personal slavery. The presidential elections give you a chance of avoiding the fate of slaves. But they are the last chance!

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International Affairs

Ukraine: Results of Kuchma U.S. Visit Assessed

WS0103101796 Kiev UKRAYINA MOLODA in Ukrainian 27 Feb 96 pp 1,3

[Article by Dmytro Lykhoviy: "Kiev-Washington. The Weight of Simplicity. The 'Case of Airplanes' Did Not Cloud Leonid Kuchma's Cause"]

[FBIS Translated Excerpt] Ukraine needed this visit to "adjust the time" on both its own wrist and the wrist of the main guarantor of our reforms, disarmament, and security. Although Leonid Kuchma's visit was considered to be virtually private in the United States (he was invited by the Freedom House nongovernment fund), for Ukraine it bore all the signs of a working visit, or even more.

As became clear during the visit, although the fact that Leonid Danylovych was awarded the Freedom prize in recognition of his outstanding democratic and reformist traits by the United States, this event receded to the background. It was certainly a truly good excuse to remind official Washington and U.S. businessmen about the need to assist Ukraine with loans and other things. As Ukrainian Ambassador to the United States Yuriy Shcherbak revealed to journalists, this visit had been planned for a long time, and "we knew that this date was necessary for our side and convenient for the United States."

Here are a few general assessments of the trip. (True, as one could logically calculate, the less the official pomp surrounding the visit, the more concrete statements could be devoted to the results of the meetings). "I know that this is a very difficult time for Ukraine, and the world and the United States should currently support Ukraine," William Jefferson (Bill) Clinton said during a meeting with journalists. Later, our leader, Leonid Danylovych Kuchma, said that the fact that the U.S. course toward political and economic support for Ukraine was confirmed by the highest U.S. officials was the primary result of his U.S. visit. Additionally, Mr. Kuchma stated that compared with his trip to the United States in 1994, this was a completely different visit in terms of attention to Ukraine as a state. "These talks demonstrated that we are entering a new stage — the stage of concrete proposals," Foreign Minister Hennadiy Udovenko concluded. [passage omitted]

Pleasant OPIC and Generous IMF and Company

The visit was also successful because it was not "spontaneous," but carefully prepared in advance, as well as owing to considerable "preventive" work done in the United States by [Foreign Economic Relations and Trade] Minister Osyka, Deputy Prime Minister Shpek, and State Property Fund Chairman Yekhanurov, who had been sent there a week before Kuchma's arrival.

I would particularly like to single out the role of the minister of foreign economic relations and trade: It was owing to his efforts that contacts with influential financial organizations were elevated to a qualitatively new, concrete level. This relates, for example, to the relations with the OPIC [Overseas Private Investment Corporation]. [passage omitted]

According to Mr. Osyka, who is a veteran of negotiations with OPIC, the impression resulting from a meeting between representatives of the largest companies and Leonid Kuchma at the OPIC offices was that it was a serious breakthrough. Those who had been complaining about Ukraine's problems of a "bureaucratic nature," for example the Cargill Inc. or IBM, spoke differently this time (the Ukrainian president even jocularly suggested delivering lectures about possible investments in the Ukrainian economy to one of them). According to Mr. Osyka, the companies announced their new projects in Ukraine, "moreover, a very formidable part of them relates to production."

A conversation with IMF Executive Director Michel Camdessus, held at the historic Mayflower Hotel, was Leonid Kuchma's first meeting in the New World. Its results are if not historical, then at least very beneficial and pleasant for Ukraine. In an interview with our press held immediately after the meeting with our president, Mr. Camdessus said that he was convinced that "the Ukrainian Government will continue to implement the program of reforms," and "as soon as the Ukrainian parliament passes this year's budget, the IMF will earmark $900 million."

Regarding the IMF director's words about the $900 million, it should be said that they certainly were most pleasant for Roman Shpek, deputy prime minister for economic reform. This sum is a long-awaited stage of the "stand-by" program, according to which Ukraine has already received $750 million. In general, although it had been envisioned to give Ukraine additional $700 million, the sides agreed on as much as $900 million. True, the money will arrive in five tranches, $180 million each in two-month intervals, which will make it possible for the IMF to firmly demand that those conducting the Ukrainian reforms present their reports.

This year's Paris conference of donor countries under the auspices of the World Bank will also be beneficial for them (reforms), which was addressed during the Ukrainian president's meeting with Mr. Camdessus and, of course, World Bank President James Wolfenson. If everything turns out well for Ukraine (and an agreement on IMF support was reached), we will also obtain the

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possibility of attracting investments based on bilateral financing private money [dvostoronnye finansuvannya pryvatnykh koshtiv], Roman Shpek says. According to him, talks with the World Bank on rescheduling this conference from September to another date which would be more convenient for Ukraine are currently under way.

To emendate this list, one could mention Leonid Kuchma's advantageous meeting with U.S. Treasury Secretary Robert Rubin, a "shark from Wall Street," as well as work aimed at expediting the adoption of amendments by the Congress and Senate, which would grant our economy the status of one in a transitional period. As Serhiy Osyka reported, this will result in a different approach to the current quotas and licenses.

By the way, there is an interesting detail: Ukrainian coats are selling very well in the United States, particularly among women. We exported 1.2 million of them last year, and have managed to agree on exporting over 2 million this year. In general, Ukraine has a positive trade balance with the United States, which worries the Americans and pleases our side: U.S. companies will be more persistent with regard to obtaining commodity loans from Eximbank and insurance from the OPIC.

The Cliche About Security Guarantees of Security Continued

Given that (according to the U.S. side) Mr. Kuchma's visit to the United States was private, his reception at the Pentagon was particularly ceremonial. U.S. Secretary of Defense William Perry was no less ceremonial, when he stated that our country will absolutely become a nonnuclear state by this summer, displaying his photograph taken against the background of a nuclear silo "scrapped" by Ukraine to the press. "I hope I will have an opportunity to visit Ukraine this summer to celebrate this event," said Mr. Perry, wearing a claret tie with blue pentagonal stars.

The Pentagon chief reached the pinnacle of optimism while poetically assessing the consequences of the dismantlement of a missile silo in Pervomaysk which he attended: "There were 700 nuclear warheads aimed at the United States in that place a year and a half ago, and by this summer rye will be cultivated on that field." Perry did not specify whether it will be possible to sell this rye or not, at least to our strategic enemies.

As a matter of fact, Ukraine does not have such enemies, though one of our "strategic partners" — Russia — has not given us anything in exchange for the tactical nuclear weapons withdrawn from Ukraine to Russia (the amount of fuel it promised to our nuclear power plants would have been enough for seven years). This is exactly what Leonid Danylovych explained to Mr. Perry, adding that he addressed this issue during talks with Vice President Gore, alluding to the U.S. guarantees. Further, without concealing his dissatisfaction, President Kuchma confirmed that the United States is actually Ukraine's guarantor "not only with regard to nuclear disarmament but also other important issues." To put it briefly, the United States is Ukraine's truly strategic partner, supporting its independence, territorial integrity, and economic development.

Additionally, all speakers emphasized that no "anti-Russian" issues were addressed in Washington, though one can understand that the Clinton administration will increasingly carefully look at Ukraine, seeing it as one of the European outposts in case of a communist revenge at the presidential elections in Russia. This can be confirmed by the fact that Bill Clinton spent 65 minutes with Leonid Kuchma, instead of the envisioned 30 minutes, Washington's firm determination to develop military cooperation with Kiev (after the final nuclear disarmament of Ukraine, another $200 million was promised under the Nunn-Lugar program), the progress on setting up a joint commission on energy (the Ukrainian president proposed that Vice President Gore become its co-chairman), and many other things, including the signing of a space agreement.

Planes? OK; Rockets, Even Better!

The only official document signed during the visit was an intergovernmental agreement on international trade in the area of commercial services concerning space launches (it was signed by Messrs Kuchma and Gore). According to Volodymyr Horbulin, secretary of the National Security Council and former chief of the Ukrainian National Space Agency, this agreement virtually opens the door to commercial space for Ukraine. "This is our great victory," Mr. Horbulin says, "because the high technologies we have preserved can still be used in spacecraft and booster rockets; they can work for the entire world." The most important thing in the agreement is the possibility of commercial launches of our Zenit and Tsyklon rockets, and this, Horbulin emphasizes, means that the Americans recognize the reliability of our rockets and production capacities.

Among other interesting projects envisioned in the agreement, the National Security Council secretary named the "Sea Launch" project, the essence of which is to launch a Zenit rocket from the Norwegian Kvaerner platform located on the equator, with the participation of the U.S. Boeing company and the Russian Energiya scientific production amalgamation. Although this seems to be science fiction, Horbulin concluded, it is the reality.

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Other Important Things

In addition to the aforementioned, the Ukrainians actively lobbied on the Chernobyl problem in Washington. By once again stressing their stance on closing the Chernobyl nuclear power plant once again (Ukraine does not want a kopek in profit from this, but it is unable to put the plant out of operation alone, and thus the West should pay), it seems that our delegation found understanding among the Americans: America is not Europe, Volodymyr Horbulin stated. A similar accident has already happened there. Therefore, during talks with Bill Clinton, Leonid Kuchma urged his U.S. colleague to add Chernobyl to the agenda of the 19-20 April Moscow G-7 summit as a separate topic. There have been enough holding negotiations; we must act, Hennadiy Udovenko emphasizes. Albert Gore's visit to Ukraine on the occasion of the 10th anniversary of the Chernobyl disaster (which was apparently coordinated) will perhaps become the first proof that the top people in the United States understand this.

In light of the approaching red cloud of the presidential elections in Russia, we did not miss the opportunity to gauge the importance of the U.S. presidential elections for Ukraine. Our fears proved to be untrue, however: The hospitable masters from Washington emphasized on every occasion that their policy toward us is bipartisan; regardless of who comes to the White House — a Democrat or Republican — everything will be ok in the United States as regards Ukraine. Still, the U.S. presidential race had a considerable impact on the course of Leonid Kuchma's visit to Washington: A meeting with Senator Bob Dole was "dropped off" the program, as the saying goes: He suffered a crushing defeat in the primary in New Hampshire to Pat Buchanan. [passage omitted]

Ukraine: Military Officers Depart for Training in U.S.

LD2902121296 Kiev UNIAN in Ukrainian 0940 GMT 29 Feb 96

[FBIS Translated Text] Kiev — A group of officers from the Carpathian Military District, headed by the district's deputy commander, Lieutenant-General Volodymyr Kondratenko, left for the United States on 28 February, UNIAN learned at the Defense Ministry's press office.

The Ukrainian officers are to take part in joint American-Ukrainian command post computer exercises within the Partnership for Peace program at the Fort Leavenworth training center.

The exercise will be directed by Major-General Mykola Petruk from the Ukrainian side and by Brigadier General Eduard Saryano from the American side.

Forty-five Ukrainian servicemen are taking part in the exercise, the main purpose of which is to work out tactics for peacekeeping operations.

Ukraine: Kuchma Invited To Participate in G-7 Meeting in Moscow

WS0103094196 Lvov INFOBANK in English 0810 GMT 1 Mar 96

[From the "News Service" feature]

[FBIS Transcribed Text] KIEV. On February 28 President Leonid Kuchma received an official invitation to take part in a summit of the Group of Seven countries in Moscow on April 20.

The invitation was made by Russia's Ambassador to Ukraine Leonid Smolyakov and France's Ambassador to Ukraine Dominique Chassard. Russia is the summit's host country while France is presently heading the G-7. It has been tentatively agreed that at this meeting problems of nuclear security and safety in the world will be discussed, including how countries of the former Soviet Union are carrying out their obligations within the framework of the Treaty for the Non-Proliferation of Nuclear Arms and financial assistance from the West for dealing with problems related to the Chernobyl nuclear power plant accident.

Ukraine: Moroz, Yugoslav Official Discuss Security, Economic Ties

LD2902140896 Kiev UNIAN in Ukrainian 1150 GMT 29 Feb 96

[FBIS Translated Text] Belgrade — Ukrainian deputies who are members of the Council of Europe Parliamentary Assembly will, together with their Russian colleagues, do everything they can to facilitate Yugoslavia's entry to the Council of Europe, Ukrainian Supreme Council Chairman Oleksandr Moroz stressed at a meeting with the Yugoslav Federal Assembly's Chamber of Republics Chairman Milos Radulovic on 29 February.

An UNIAN correspondent reports that the Ukrainian parliament chairman emphasized that at an international level Ukraine had constantly demanded the abolition of UN Security Council sanctions against Yugoslavia, not considering them to be right.

Radulovic noted Ukraine's active participation in settling the Yugoslav conflict and positively assessed the

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idea of holding an international conference on security and cooperation in Europe.

The Ukrainian parliament chairman said the change in "security coordinates and lowering of the level of stability" in Europe over the last 20 years was linked with the emergence of approximately 20 new states. He stressed that European states should work out mechanisms to protect their interests so that "other states do not dictate their conditions" on their territory.

Moroz emphasized that an international conference on security and cooperation held in Kiev, which Ukraine is initiating, should work out standards of cooperation in international structures, including military ones.

He also emphasized that, notwithstanding the economic crisis experienced by Ukraine, the lifting of UN Security Council sanctions against Yugoslavia should mean "our countries can achieve a trade turnover of approximately $2 billion." The Ukrainian parliament chairman stressed that the main forms of cooperation would be setting up joint enterprises and financial-industrial groups with the involvement of Yugoslav capital, mutual investments, as well as the deepening of regional cooperation. The Ukrainian parliament, he noted, is ready to provide legislative support for such cooperation. The interparliamentary Ukrainian-Yugoslav commission, which is now being set up, should work out appropriate recommendations on this matter, Moroz believes.

Ukraine: Udovenko Signs 'Important' Documents in Indonesia

AU2902121596 Kiev DEMOKRATYCHNA UKRAYINA in Ukrainian 27 Feb 96 p 3

[Report by Lesya Mishchenko: "Oil Is a Major Indonesian Export. This Suits Ukraine"]

[FBIS Translated Text] **Indonesia shows interest in expanding cooperation with Ukraine in various spheres, in particular, extractive and heavy industries, in the sphere of sea transport, and in the military-technological sphere. With regard to the economy, Indonesia is actively looking for possibilities of developing mutually advantageous trade and investment of Indonesian capital directly in Ukraine.**

The official visit to Indonesia by Ukrainian Foreign Minister Hennadiy Udovenko continues. He had meetings with Indonesian President Suharto, Foreign Minister Ali Alatas, and other leaders.

In the course of talks, great significance was given to discussing prospects of interaction between Ukraine and Indonesia in political and economic integration processes. The main goal of the visit was to determine the most efficient ways for further improvement of the bilateral trade-economic and scientific-technological cooperation. Questions of opening a Ukrainian embassy in Indonesia were also discussed. It must be recalled that the Indonesian Embassy has been working in Ukraine for about four years.

Oil is a major Indonesian export. For a long time, Japan, the United States, Hong Kong, the Netherlands, and Western German monopolies have been main investors in the Indonesian economy. In the past, such dependence upon external investors and the one-sided orientation of the external economic ties caused serious losses to the country's economic development. Starting from 1986, the rates of economic growth have been seen as declining, because world prices of oil sharply fell. Today, however, for many countries, especially those that emerged on the territory of the USSR, oil is a most essential necessity. Hence, Ukraine's interest in maintaining bilateral cooperation with that country.

The signing, in the course of H. Udovenko's visit, of a number of important documents lays a contractual and legal foundation for the Ukrainian-Indonesian relations.

Indonesia, in turn, sees in Ukraine a potential partner, who can export to that country rolled metal and chemical products, although the creation in Indonesia of new production industries has increased demand for modern products of machine building, equipment, and advanced technologies. The country's business circles are keen on establishing close cooperation with the Black Sea Shipping Company.

Ukraine: Romania Calls For Confidence-Building on Common Border

LD2902231096 Moscow INTERFAX in English 1859 GMT 29 Feb 96

[From the "Diplomatic Panorama" feature]

[FBIS Transcribed Text] BUCHAREST, Feb 29 (Interfax - Ukraine) — Romania's Defense Chief George Tinka says Bucharest and Kiev must sign an agreement on confidence building measures on their common border. Tinka was speaking to Interfax - Ukraine in Bucharest on Wednesday.

He described the military contacts between the two countries as good, saying he planned to visit Kiev this year to discuss prospects for cooperation. The minister named army reform, military training and military cooperation among the priority areas of such cooperation.

Tinka also spoke of being keen to keep in permanent touch with his Ukrainian counterparts on security matters in Southern Europe.

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On bilateral military exercises, the Romanian defense minister said the main accent must be placed not on full-blown exercises, but headquarters exercises to train in troop management.

National Affairs

Ukraine: Kiev To Complete Nuclear Arms Withdrawal in 1996

LD2902141396 Moscow INTERFAX in English 1343 GMT 29 Feb 96

[FBIS Transcribed Text] JAKARTA, Feb 29 (Interfax-Ukraine) — The withdrawal from Ukraine of warheads of intercontinental ballistic missiles must be completed this year, Ukrainian Foreign Minister Hennadiy Udovenko told Interfax-Ukraine at a news conference in Jakarta on Wednesday [28 February].

The withdrawal of warheads is being carried out "a little behind the schedule" worked out by Russia and Ukraine, he said. This is, however, due to technical, not political reasons, said Udovenko.

"We plan this year to fulfil our commitments on the tripartite agreement," said the minister.

As of the beginning of 1994, Ukraine had 1300 warheads for intercontinental ballistic missiles, over 600 warheads for air-based Cruise missiles, and 176 boosters, including 130 SS-19s and 46 SS-24s.

Over 90 percent of missiles were deactivated in Ukraine in 1995, and 80 SS-19s were taken off combat alert. Russia fulfilled its commitments before Ukraine in 1995 on nuclear fuel supplies for power plants in exchange for Ukrainian nuclear warheads.

Udovenko said that he agrees on the whole with the statement by U.S. Defense Secretary William Perry that Ukraine "will be non-nuclear by this summer."

Ukraine: Deputy Warns New Constitution May Ban Communist Party

LD2902224396 Moscow INTERFAX in English 1740 GMT 29 Feb 96

[FBIS Transcribed Text] KIEV, Feb 29 (Interfax - Ukraine) — When adopted, Ukraine's new constitution may ban the Ukrainian Communist Party, member of the Constitutional Commission working group and deputy Ivan Zayets told Interfax - Ukraine Thursday.

The Communist-organized canvassing campaign against the constitution and their lobbying to join the CIS Interparliamentary Assembly aim to abolish Ukraine's state sovereignty and change the constitutional system, Zayets said.

In addition, the left forces "make it impossible to exercise power efficiently, most of all locally," he said.

Meanwhile, the Communist Party of Ukraine is canvassing signatures to hold a preventive referendum against the new constitution.

Ukraine: Defense Ministry Spokesman Holds News Conference

WS0103110996 Lvov VYSOKYY ZAMOK in Ukrainian 22 Feb 96 p 1

[Report by Yuriy Borutskyy: "There Is One Officer for Every Two Soldiers...."]

[FBIS Translated Text] **Today the Ukrainian Army, just as most of society, is living through a time which is far from the best. The survival of the past army system is still worrying us to death; one is concerned over the problems pertaining to the draft of young servicemen; and discussions on various ways to reform the Army are going on.**

A news conference by Colonel Oleksandr Kluban, press secretary of Defense Minister Valeriy Shmarov, focused on precisely these problems. According to him, it is four years now, and practically nothing is being done to reform the Armed Forces. Therefore, the Defense Ministry Collegium has developed a concept for the reform of the Ukrainian Army.

"The program envisages first of all changes in the management of the Armed Forces, because our country does not need the type of large army which in the former Soviet Union was ready to participate in wide-scale operations. But now local problems are beginning to emerge in various regions. Therefore, there is no need for us to retain large military units. In addition, the 1996 budget meets only 10 percent of the Army's requirements. Thus, current political and economic conditions require a small army. Our 15-year program envisages the establishment of operational-tactical departments — instead of military districts — based on seven army corps," said Oleksandr Kluban.

The experiment to reform the Armed Forces will be held in the Chernihiv First Army Corps. At the present time, there is one officer for every two soldiers in the Ukrainian Army; the military education sector is 90,000-strong (given the 400,000-strong Army!); there is practically no money to keep TU-160 and TU-195 strategic bombers, and there are plans to sell them (not only to Russia). Hence, the Army needs reform badly. After all, the Ukrainian Cabinet of Ministers, the Supreme Council, and the presidential structure — the president proposes to reduce the Army to 300,000-

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500,000 servicemen — supported the above-mentioned program.

Naturally, one cannot do without relevant changes in mentality and without new military thinking. But will the concept for the creation of operational-tactical departments not generate the federalization of the Army? Will it not lead to the establishment of a number of regional armies? In the opinion of the authors of this program, among them Deputy Defense Minister General Ivan Bizhan, this will not take place. By the way, not only Defense Minister Valeriy Shmarov, but also the National Security Council support this option. As regards the current policy pursued by the Armed Forces Command, Colonel Oleksandr Kluban said: "Ukraine is developing its own viewpoint on national security. The nonparticipation of our state in military blocs is not self- isolation. So far, 31 agreements have been signed, and the last one — on military-technical cooperation — was signed with France. There is also nothing anti-Ukrainian in the Sochi agreements, because Russia has left its troops only in Sevastopol, and all the remaining sites (military bases) in Crimea have been made available to the Ukrainian Army. By the way, the Ukrainian national ensign will be hoisted on 28 ships soon."

The issue concerning the dismissal of General Anatoliy Lopata, General Staff chief, supporter of the military-district structure, was not omitted. Certain mass media hurried to report that all of Lopata's supporters would also be dismissed. But, as Colonel Oleksandr Kluban assured, General Staff Generals Hennadiy Hurin, Heorhiy Pankratov, and Anatoliy Yarovyy remain in their posts. As regards the remaining — General Anatoliy Korkichko and Colonel Petro Korotchenko — who are pensionable age and have not changed their way of thinking, they have retired.

The defense minister's press secretary also assured that the program for Army reform also envisages the providing of servicemen with housing and the purchasing of modern military hardware. The experimental establishment of the Chernihiv operational-territorial department will last some two years. Then a decision will be adopted whether such a system suits the Ukrainian Army.

Economic Issues

Ukraine: Marchuk: Coal Reserves Enough 'To Last 600 Years'

MM0103101796 Moscow TRUD-7 in Russian 1 Mar 96 p 11

[Report from the UKRINFORM-TASS column: "Six Hundred Years' Worth of Coal Reserves" — from the "Ukrainian Edition" section]

[FBIS Translated Text] Donetsk — The Ukrainian coal industry has a future. Even if 100-120 million tonnes of coal are mined annually, the country has enough known reserves to last 600 years. This was stated by Ukrainian Prime Minister Yevhen Marchuk after visiting a number of industrial and agricultural facilities in the Donbass. The head of the Ukrainian Government announced that the country's coal industry would be given financial help, but sectors as a whole and specific enterprises would not. Nor does he rule out the possibility of the number of operating mines producing the required amounts of fuel being cut to 70. The sector needs to be restructured in such a way that people do not suffer.

Ukraine: Committee Proposes Diversifying Energy Resources

WS0103101296 Kiev INTELNEWS in English 0021 GMT 1 Mar 96

[FBIS Transcribed Text] Kiev. Feb. 28 — In an effort to solve Ukraine's current energy shortage, plans have been launched to diversify the nation's energy resources.

The State Committee for Oil, Natural Gas, and Oil Refining Industries has submitted a proposal to the government calling for expanded energy transit through Ukraine, along with the formation of a tender center which would seek foreign investors ready to commit capital to joint projects with Ukraine.

The center would be subordinate to the State Oil & Gas Committee, and would oversee the development of Ukraine's pipeline infrastructure, to be used by energy-exporting countries for oil and gas transit to Europe.

The Oil & Gas Committee has also suggested the construction of a gas-pipeline system for the transport of gas from Turkmenistan, Kazakhstan, Iran and other Persian Gulf countries through Transcaucasia and Turkey to Eastern and Western Europe. One branch of the proposed pipeline would cross Ukrainian territory.

The cost of construction for such a gas-transport system would be approximately $7 billion, and the project is now being considered by the European Commission within the framework of its TACIS program, for which the French firm Sofregaz and the German firm PLE are compiling routing reports.

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Belarus

Belarus: Lukashenka's Stay, Comments in Tyumen Oblast Reported

WS2902131996 Minsk BELAPAN in English 1230 GMT 29 Feb 96

[FBIS Transcribed Text] As BELAPAN was informed by a correspondent of the Nizhnevartovsk local newspaper MESTNOYE VREMYA, Belarusian President Alyaksandr Lukashenka arrived in this Siberian town during the night from 28 to 29 February. Speaking to the leaders of the local administration, who met him at the airport, Mr. Lukashenka outlined three objectives of his visit to this oil- extracting region of Russia. Firstly, the president intends to receive firsthand information about the oil enterprise "Megionneft" dealing with the oil supply to the Belarusian refineries in Mozyr and Navapolatsk, as well as about the opportunity to establish joint financial-industrial companies on the basis of these three enterprises. Secondly, Alyaksandr Lukashenka would like to discuss with local officials the organization of the deliveries of a wide range of Belarus-produced consumer goods. And thirdly, the president wants to see how the Belarusians who built towns, prospected, and developed oil-fields there live. While meeting with them, Alyaksandr Lukashenka intends to discuss the conditions on which ethnic Belarusians will be able to come back, if they want to.

Speaking at the Nizhnevartovsk airport, the Belarusian President expressed his deep satisfaction with the results of his negotiations with the Russian leadership. According to Mr. Lukashenka, the policy conducted by the governments of the two states for the closest integration between Belarus and Russia will be furthered by a meeting with President Boris Yeltsin in March this year. During this meeting the presidents are to sign a "big treaty" which will be a specific step toward the union of the two states. According to the MESTNOYE VREMYA correspondent, on February 29, President Alyaksandr Lukashenka will stay in the town of Megion, 30 kilometers from Nizhnevartovsk, and on March 1 in Langepas. On the same day, at 0800 local time in the evening, Alyaksandr Lukashenka will leave for Minsk.

Belarus: LDPB Leader on Zhirinovskiy, Visit to Iraq

WS0103114596 Minsk NARODNAYA GAZETA in Russian 28 Feb 96 p 4

[Interview with Syarhey Haydukevich, leader of the Liberal Democratic Party of Belarus, by Vadzim Bukat at the NARODNAYA GAZETA offices in Minsk; date not given: "Do Not Lose What Belongs to You"]

[FBIS Translated Text] **After a visit to Iraq, S.V. Haydukevich, leader of the Liberal Democratic Party of Belarus [LDPB], visited our offices and shared his impressions.**

[Bukat] Syarhey Vasylevich, tell me, as a man who passionately loves foreign countries, whether you liked Iraq or not?

[Haydukevich] It was not my first visit there. In the early 1980's I worked as a military adviser in this country.

[Bukat] So it was you about whom Viktor Suvorov [former KGB officer who defected to the West; author of many books about Soviet intelligence services] wrote that, thanks to our military advisers working for the staffs of friendly Arab armies, the Jews successfully conducted all their attacks and movements.

[Haydukevich] (Haydukevich laughs) By the way, we had quite good relations with the Jews.... In general, the Near East is a very interesting region!

[Bukat] During your trip to Iraq, you met with many high-ranking officials from Saddam's administration, though not with the most important one. Why? After all, Vladimir Volfovich [Zhirinovskiy] considers him to be his personal friend, and they meet on every occasion....

[Haydukevich] You think that Haydukevich is Vladimir Volfovich's protege.... Consider this: The LDPB is a Belarusian party, and if the Belarusian Communists go to meet Zyuganov, nobody says that it is a regional branch of Zyuganov's party. The opinion of the LDPB is that we will never become a Russian province; I have repeated on many occasions that we are a sovereign state, and although we must cooperate with Russia, we should remain independent.

[Bukat] Excuse me, but Zhirinovskiy, as I believe, reserves the role of a province for us, for which he once almost got beaten up!

[Haydukevich] If you really want to make it clear, I will tell you the following thing. Zhirinovskiy, while appearing in public, writing books, and vying for a political role, has never stated that Belarus should become a province. Russia has its own political problems connected with the Kremlin or Chechnya; it has its own bedlam. This is not our matter. Let them resolve this alone. He has said that provinces should have been established, and so on when the Soviet Union still existed. There is currently a new situation, and for the past few years he has not spoken about granting Belarus the status of a province. Had provinces been established when

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the Soviet Union still existed it would have been possible to prevent its collapse.

You should realize that if there had been no legislative bodies, (i.e. the Supreme Soviet), the state could not have been established.

[Bukat] What, in your opinion, is Belarus' position in the current world?

[Haydukevich] I think that since Belarus has become a sort of assembly shop — we reprocess goods — and because of our relations with the Russian Federation, we should use this opportunity. It would be a mistake to miss it. As for relations with Western investors, all possible monetary organizations, and loans, they should be beneficial for the Republic. But this is our [preceding word published in italics] money, and we will have to repay it, and they take away our raw materials.... It does not happen that a "good uncle" from the West fosters its own competitor.

We can have different ideological aims, but the strategic goal is the following: to improve living standards in our country. We could not proclaim isolation from Russia in 1992 or consider it to be our mortal enemy. This is not political diplomacy, but ambitions. We do not need this; we should not consider Russia or the West to be our enemies if we are a truly civilized state. So there is the slogan "Law and Order" on our party's banner.

[Bukat] What do you think will be the prognosis for our country in case the Russian Liberal Democratic Party [LDPR] comes to power in Russia?

[Haydukevich] This would be much better than if Zyuganov came to power. It would be much better because no matter how much the communists are trying to convince us that there will be no revolution — I do not want to say that my attitude toward Zyuganov is negative, but what stands behind them, all those posters of Stalin — stability will be disrupted.

Have you ever seen Zhirinovskiy call for strikes?

For the Republic of Belarus, there will be no significant difference between Yeltsin and Zhirinovskiy in Moscow, because whoever comes to power in Russia, there is no alternative to cooperation. There will be cooperation. In any event, all the candidates have a friendly attitude toward Belarus. All the presidential candidates support integration.

[Bukat] Let us return to Iraq, now. Does the fact that both the LDPB and the LDPR pay visits to Iraq mean that Husayn is the biggest liberal democrat in the entire world? Or maybe the regime in this country is the most progressive one, and we can learn something from it?

[Haydukevich] I do not know whether Zhirinovskiy and Husayn are friends or not. I will try to explain to you certain strategic goals and the lies I personally eyewitnessed in Iraq.

The Soviet Union established strong ties with the Near East. Libya, Algeria, Syria, Iraq, Jordan...

[Bukat] Except for Jordan, all these states are on the list of countries supporting international terrorism.

[Haydukevich] Wait a minute. Let us proceed with the previous topic. The USSR had a very strong influence on the Near East, and there was a severe confrontation between the USSR and the United States. They fought against one another for influence, oil, and markets. And the United States has forced us out of there. It has diverted the attention of the Soviet Union, Russia, and Belarus from certain problems — the settling of which would have been incredibly beneficial for us. The attitude of people from the Near East toward us, people from the former Soviet Union, is still incredibly warm. In a museum we saw materials about **thousands** of plants, baby milk factories, schools, and hospitals destroyed by "precise" bombing all over the country. What were these 15 million people guilty of? Is it normal that not a single plane or ship comes into Iraq? We can be on different sides of a barricade, but there is only one mankind!

This country, (as well as other Near East countries), urgently needs our MAZ trucks, refrigerators, and MoAZ vehicles; they need our products! Since the 1960's we have taught them to apply our technologies by delivering our products, and now their market is open for us! Before the blockade, Iraq spent $200 billion on imports annually. Now this $200 billion is not used. Do you know who will use this money?

When I arrived in Iraq, I saw dozens of representatives of Japanese, French, and German corporations who are simply sitting there and waiting for the lifting of the embargo. And they taking advantage of the fact that by the esteemed Uncle Sam's United Nations resolution they have been allowed to purchase foodstuffs and pharmaceuticals for $2 billion. Do you know who is selling them? Neither Belarus nor Russia, but the esteemed gentlemen from the West! Those who imposed the embargo. Those people have forced us out of this country.

Why could we, a sovereign state, not do that? I will repeat once again that the attitude toward us is amazing in these countries! Why have we neglected our interests?!

Yes, we need political presence in the world's leading countries, but the economy nudges us towards the Near

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East. Frankly speaking, I think we should look for places which are beneficial for us. While the countries which imposed the embargo are not ashamed of maintaining their representatives, who are ready to conclude any contract anytime, we do not have money to pay people their wages.... Let us not be fools given that we are facing the Near East — which is closer to us than France or Germany. Thus, the trip by our party's delegation should not be deemed something abnormal. We must simply see where our interests are.

[Bukat] You say that you went to Iraq exclusively as a party member. Is the LDPB really ideologically close to the Ba'th Party?

[Haydukevich] No, we are studying the experience of many parties, and today we are going to apply to the German Embassy; we want to go to that country as well.

Returning to Iraq, I want to say that it is a pity if the world community puts 15 million people on the verge of survival, and in this regard, we are going to submit to the United Nations and the U.S. Embassy a proposal to revise the policy on the embargo.

I will repeat once again: We are a sovereign state. We have a president, a Constitutional Court, and all attributes of sovereignty. We should be more mature and sharp-tongued, and not lose our opportunities.

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Kazakhstan

Kazakhstan: President Meets With Iranian Foreign Minister Velayati

LD0103114696 Tehran Voice of the Islamic Republic of Iran First Program Network in Persian 1030 GMT 1 Mar 96

[FBIS Translated Text] Foreign Minister 'Ali-Akbar Velayati arrived in Almaty, the Kazakh capital, after ending his visit to Kyrgyzstan, and was officially welcomed.

Foreign Minister Velayati met and conferred the Kazakh President on his arrival in Almaty. Here is our correspondent with a report on issues discussed by Mr. Velayati and the Kazakh President Nursultan Nazarbayev:

[Correspondent] At the meeting, issues of mutual interest, regional developments, and future cooperation between Iran and Kazakhstan were discussed.

Mr. Velayati also submitted a message from the Iranian president to the President Nazarbayev which invited him to attend the opening ceremonies of the Mashhad-Sarakhs-Tedzhen railway. Expressing his satisfaction over the opening of the railway, the Kazakh president said: Kazakhstan considers this link as most important. Describing the opening of the railway as one that completes and revives the Silk Road and referring to Iran's crucial role in the region, he added: This railway will secure the interests of the regional states and reduce the communication links between China and Istanbul.

Kazakhstan: Nazarbayev, Foreign Minister Comment on CIS Integration

LD2902234396 Moscow INTERFAX in English 1947 GMT 29 Feb 96

[FBIS Transcribed Text] ALMATY, Feb 29 (INTERFAX) — The integration of CIS countries is possible and necessary on condition that all participants in the process are equal, Kazakh President Nursultan Nazarbayev told a Thursday conference on government policies.

In his opinion, the European Union, in which "Luxembourg and Netherlands are recognized as equals of Germany and France," is a model of such integration.

Foreign Minister Qasymzhomart Toqayev told Interfax that a confederation with Russia and Belarus is out of the question, because "respect for sovereignty, territorial integrity and equality in relations is the main condition of integration". The diplomat called these conditions "a cornerstone of rapprochement".

He described March as a month of integration. Contacts with Moscow are active and concrete important documents deepening relations between the two countries might be prepared by the end of the month, he said.

Toqayev said tested patterns and key aspects of European integration will be applied.

The minister believes integration is an objective process prompted by economic and political as well as human factors. He said economic reforms in Russia and Kazakhstan are synchronized in speed and contents, which simplifies the rapprochement of the two countries.

Kyrgyzstan

Kyrgyzstan: Iranian Foreign Minister Meets President Akayev

LD2902210796 Tehran Voice of the Islamic Republic of Iran First Program Network in Persian 1630 GMT 29 Feb 96

[FBIS Translated Excerpt] Foreign Minister Velayati, continuing his visit to the Central Asian republics, arrived in Bishkek this afternoon. According to a report by a Central News Unit correspondent, after his arrival, Mr. Velayati met and conferred with Kyrgyz President Askar Akayev.

At the meeting, President Akayev praised Iran's role in creating regional understanding and peace and described Iran's actions to effect a national reconciliation in Afghanistan and Tajikistan as crucial.

Referring to the Mashhad-Sarakhs-Tedzhen railway, Akayev described it as a major event of the century and called for the expansion of relations with Iran.

Mr. Velayati considered the two countries' cooperation as most effective, particularly within the Economic Cooperation Organization, ECO. He also considered regional cooperation to be an important factor in the development of regional states.

During their meeting, Mr. Velayati submitted an invitation to the Kyrgyz president from President Hashemi-Rafsanjani to attend the opening of the Mashhad-Sarakhs-Tedzhen railway. [passage omitted]

[Tehran IRNA in English at 1858 GMT on 29 Feb in a Bishkek datelined item broadcast the following report: "At the meeting with Kyrgyz Prime Minister, Apas Dzhumagulov, the Iranian Foreign Minister, Dr. 'Ali Akbar Velayati, discussed the most important current regional and international developments and bilateral relations here Thursday.

Dzhumagulov expressed his pleasure on Velayati's visit to his country and wanted the Iranian foreign minister to convey his warmest regards to the First Vice President Dr. Hassan Habibi.

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Velayati, heading a top delegation and on visit to Central Asian republics, indicated to the Kyrgyz premier on Iran's readiness to provide both economic and technical assistance and to set up joint manufacturing units in that country."]

Kyrgyzstan: Velayati Comments on Economic Cooperation

LD2902232696 Moscow INTERFAX in English 1947 GMT 29 Feb 96

[FBIS Transcribed Text] BISHKEK, Feb 29 (INTERFAX) — Iran will take part in the reconstruction of a car factory in Kyrgyzstan and in the manufacture of fiber cable for telecommunication systems, Iranian Foreign Minister 'Ali Akbar Velayati said at a news conference at the end of his one-day visit to Kyrgyzstan.

Velayati said that economic cooperation between the two countries and cooperation in the framework of the regional ECO organization was discussed at his meetings with Kyrgyz President Askar Akayev, Prime Minister Apas Dzhumagulov and Foreign Minister Roza Otunbayeva.

Velayati said that banking crediting relations between the two countries could be expanded and a delegation of the National Bank of Kyrgyzstan will visit Iran in March.

Iran and Kyrgyzstan agree, he said, that the conflict in Tajikistan must be resolved by peaceful means, Iran and Russia must act as mediators and the Tajik opposition groups must be represented in parliament and other state structures of Tajikistan.

Tajikistan

Tajikistan: Iran's Foreign Minister Continues Working Visit

LD2902133296 Dushanbe Radio Tajikistan Network in Tajik 0800 GMT 29 Feb 96

[FBIS Translated Text] Tajik President Emomali Rakhmanov this morning received Iranian Foreign Minister 'Ali Akbar Velayati. An exchange of views took place during the meeting.

Tajik Foreign Minister Talbak Nazarov and Iranian Ambassador 'Ali Ashraf [Mojtahed-]Shabestary were present at the meeting. Today 'Ali Akbar Velayati will hold a news conference for domestic and foreign correspondents.

The head of state's press office informed us that President Emomali Rakhmanov, along with the Iranian foreign minister, visited the Tajik Academy of Sciences and met with its staff members.

On the same day, Supreme Assembly Chairman Safarali Rajabov received Iranian Foreign Minister 'Ali Akbar Velayati, who is on a working visit to our republic. During a sincere and friendly meeting, Safarali Rajabov expressed his view of the country's political and economic situation and of the work of the country's parliament. He spoke highly of the bilateral relations between Tajikistan and the Islamic Republic of Iran, and welcomed the Iranian side's assistance in the process of the inter-Tajik talks.

'Ali Akbar Velayati said friendly countries will sort out all of the Republic of Tajikistan's difficulties.

At the end, the two sides expressed their support of the idea of participation by opposition leaders in the fourth session of the Supreme Assembly.

Iranian Ambassador 'Ali Ashraf [Mojtahed-]Shabestary was present at the meeting.

Tajikistan: Parliament Speaker Meets Iran's Velayati

LD2902131696 Tehran IRNA in English 1128 GMT 29 Feb 96

[FBIS Transcribed Text] Dushanbe, Feb. 29, IRNA — The avenues of converging the viewpoints of Tajik Government and the opposition groups, the exchange of parliamentary delegations by Iran and Tajikistan, and the implementation of the agreements reached in Tehran were discussed in the meeting between the visiting Iranian foreign minister, 'Ali Akbar Velayati, and speaker of Tajikistan's parliament, Safarali Rajabov, here on Thursday.

Velayati viewed the accords made by the Tajik Government and the opposition as a proper groundwork for the continuation of peace talks. He added that extending ceasefire in that country is an effective step toward achieving permanent peace.

Iranian minister further stressed that international attempts at attaining national reconciliation in Tajikistan should be welcomed so that the ground for the implementation of documents signed in Tehran would be prepared.

Velayati also called for earnest effort of Tajikistan's government at finding the opposition's representative in the U.N. ceasefire commission, Mozaffar Rahmanov, saying that such effort would lay the foundation for mutual trust and confidence.

The Tajik parliament speaker, in turn, urged Iran to continue its attempts to converge the stands of the warring factions in Tajikistan.

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Underlining Iran's constructive role in promoting understanding and holding negotiations in Tajikistan, Rajabov further called on the opposition leader, Seyed Abdullah Nouri, to elaborate on his views for the public at the Tajik parliament's joint session, to be held on March 11, if approved by the opposition.

Tajik parliament speaker expressed hope that, through attempts made by Iran, peace and security would be consolidated in Tajikistan. He also called for the exchange of parliamentary delegations and paving the way for carrying out the agreements made in Tehran.

Tajikistan: Iran's Velayati Urges Trust To Break Talks Deadlock

LD2902191196 Dushanbe KHOVAR in Russian 1400 GMT 29 Feb 96

[FBIS Translated Text] Nobody doubted even Iranian Foreign Minister 'Ali Akbar Velayati arrived in Dushanbe that the main subject of his talks with Tajikistan's leadership would be the settlement of the Tajik conflict and, as a necessary part of it, the negotiation process between official Dushanbe and the opposition. Confirming this fact at a news conference today, the Iranian foreign minister stressed that his visit to Dushanbe "was very useful."

During meetings with President Emomali Rakhmanov, Supreme Assembly Chairman Safarali Rajabov, and Foreign Affairs Minister Talbak Nazarov, the two sides supported the idea that all disputed issues need to be solved exclusively by peaceful means and were unanimous on the need to continue the Tajik dialogue, the minister noted. The main obstacle to bringing the positions of Tajikistan's leadership and the opposition closer is, in his view, the lack of mutual trust. Only efforts to overcome this factor and seek compromise can lead to peace and accord on Tajik soil. As practice shows, Velayati noted, with the best will in the world it is impossible to solve conflicts such as that in Tajikistan unilaterally. There is a need for mutual efforts and political will.

"At the consultative meetings with representatives from Iran and with me personally before the Ashgabat round of talks and afterward, both sides showed a desire to achieve stabilization in the country and the will for constructive work for the sake of Tajikistan's development. President Rakhmanov has confirmed once again here, in Dushanbe, that it is necessary to prolong the term of the Tehran [cease-fire] agreement. We agreed on the symbolic release of prisoners of war and the continuation of the talks in Ashgabat or in any other place," Velayati said.

The minister regards the agreement on the participation of opposition representatives in a session of Tajikistan's parliament as progress within the negotiation process. In his view, this is a considerable step forward. Velayati noted with satisfaction that the Tajik head of state has agreed not to insist on the compulsory participation of the chief figures of the opposition in the work of parliament and thinks that for the beginning opposition representatives and members of parliament should discuss the range of disputed issues that need to be resolved.

At the news conference considerable attention was paid to relations between Iran and the CIS countries, in particular Russia. "Our cooperation with the Russian Federation is expanding. Our joint actions in the Caspian Sea area are one example of this. We also have similar approaches to solving the Tajik conflict. I intend to continue talks with the Russian side during my current tour of CIS countries as well. We appreciate that the achievement of peace in Tajikistan is very important both for its people and in the interests of all the countries that are also playing a great part in settling the Tajik conflict," Velayati stressed.

Tajikistan: Ambassador Regrets Remarks Made on Russian TV Program

LD2902173196 Dushanbe Radio Tajikistan Network in Tajik 1700 GMT 29 Feb 96

[FBIS Translated Text] Mecheslav Senkevich, Russian ambassador extraordinary and plenipotentiary to Tajikistan, has commented on the contemptuous remarks by participants in the Russian television program "De Facto." He said: I can say with full responsibility that the nature of this program does not reflect Russia's stand concerning the events in Tajikistan because we made a decision to develop broad relations with Tajikistan.

The ambassador called the claims by the program that the Tajik people were living off the Russian taxpayer immoral and tactless. Yes, we are providing all-round assistance to friendly Tajikistan but we are doing this taking into account all the interests of both Russia and Tajikistan, he said. We are also taking into account Russia's particular responsibility in post-Soviet countries. We render impartial assistance to the Tajik people because they are going through a difficult period at the moment, said Senkevich.

He expressed regret over the fact that some unscrupulous correspondents were circulating doubtful arguments in the media and even through state television. According to the Russian diplomat, every correspondent should apply three main principles: Conscience, objectivity, and professionalism. He also noted that friendly and brotherly relations and comprehensive cooperation

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were bringing Tajikistan and Russia together. Senkevich believes that adopting fruitful methods of cooperation with Russian correspondents would promote the work. He proposed using the Tajik embassy in Moscow for this purpose. In other words, Tajik diplomatic officials and representatives of Russia's media can develop fruitful cooperation on the basis of generally accepted standards and for the benefit of the two countries.

Tajikistan: TV Reviews Status of Russian Border Troops

LD2902182696 Moscow Russian Television Network in Russian 1120 GMT 29 Feb 96

[FBIS Summary] Moscow Russian Television carries a five-minute report on the status of Russian troops on the Tajik-Afghan border, as part of the "Business Russia" program.

Commentator Vyacheslav Kashchenko notes: "Last year on the Tajik- Afghan section of the border, almost 150 attempted border violations were thwarted, border troops came under fire 110 times, they were involved in armed clashes 33 times, 63 border troops from CIS countries died here — including 20 Russians — and 117 men were wounded."

Colonel-General Aleksandr Tymko, head of the Chief Staff of Border Troops of the Russian Federation, explains that it was cheaper to help defend the borders of other CIS countries than to man and equip Russia's new borders.

Kashchenko continued: "In the past three years on the Tajik- Afghan border, border troops have prevented about 600 attempted crossings by militants; 130 artillery pieces and mortars have been seized, as well as almost 100 grenade launchers and over 15,000 mortar shells and other shells." "Last year border troops confiscated 1.5 tonnes of narcotics and, in January this year over 300 kilograms."

"At present there are 16,500 men serving in the ranks of the Russian border troops stationed on the Tajik-Afghan border; 12,500 of these are Tajik servicemen."

Army General Andrey Nikolayev, director of the Federal Border Service of the Russian Federation, says in an interview:

"We only have officers, warrant officers, and contract servicemen serving there now. That is the idea which we are instituting for our joint participation. We are training our Tajik colleagues on how to protect the border. We are organizing, helping, and providing support in the form of materials, equipment, and weapons. We are helping to train qualified personnel for them in the academy and in our institutes, and gradually the absolute number of our people who are present will, of course, decrease, as the situation becomes more stabilized and as peace is restored on this section of the border."

Kashchenko says in conclusion: "The Russian border troops resolve another important task by remaining in Tajikistan. Their presence serves as a guarantee of stability and ensures that the rights of the Russian-speaking population are observed in this turbulent region."

Uzbekistan

Uzbekistan: Karimov: Reforms To Continue Despite Sluggishness

LD2902232896 Moscow ITAR-TASS World Service in Russian 2022 GMT 29 Feb 96

[By ITAR-TASS correspondent Vilor Niyazmatov]

[FBIS Translated Text] Tashkent, 29 Feb — "Uzbekistan will be a legal state, reforms will certainly continue moving forward," President Islam Karimov said here today. He spoke at the government session at which results of the socio-economic development of Uzbekistan in 1995 were discussed and ways of further widening economic reforms were examined.

The head of state drew attention to sluggishness in tackling issues of financial stabilization and pointed at shortcomings in the taxation system.

Speaking on the forthcoming structural changes in the Uzbek economy, aimed at creating a class of proprietors, Islam Karimov supported the idea of creating in the republic a chamber of industry and entrepreneurs. He instructed the speedy elimination of artificial barriers to entrepreneurship.

Uzbekistan: Governors Urged To Renounce Communist Ideology, Monuments

LD2902193796 Tashkent Radio Mashal in Uzbek 1100 GMT 28 Feb 96

[Commentary by Makhkam Risqiyev]

[FBIS Translated Excerpt] Dear radio listeners, please pay us a little of your attention. We will talk today about several sights that annoy most people.

We would not be wrong in saying that the Tashkent northern railway station is Uzbekistan's main gate. A memorial complex to 14 commissars was erected in front of this central gate. The eternal flame burns at the foot of the monument. Everything is kept very neat. [passage omitted]

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They were arrested and shot on 19 January 1919 by the Turkestan Provisional Government, which was fighting the Bolsheviks.

The second sight: The sports complex in Shovot district, Khorezm region, is still named after Lenin. On entering the complex, Lenin's monument stares at you, waiting to be welcomed.

The third sight: Marx's monument in the center of the town of Nurata, Samarkand region, rises above you and looks you up and down.

All of them — the 14 commissars, Marx, and Lenin — are the founders and organizers of Communist ideology, the people who tried to brainwash us with this ideology. As you know, we solemnly renounced Communist ideology on 31 August 1991. Our ideology is democracy and independence. This firm decision of ours is reflected in the first article of our Constitution by the words: Uzbekistan is a sovereign, democratic republic.

Mr. Governor of Mirabad district in Tashkent, Mr. Governor of Shovot district, and Mr. Governor of Nurata: Here is a question for you. Are you or are you not aware of the fact that citizens of the Republic of Uzbekistan have renounced Communist ideology and the Bolshevik regime, that the Republic of Uzbekistan has adopted the status of a sovereign state, and that its ideology is independence? Why is homage still being paid to representatives of Communist ideology, the advocators of Bolshevik state ideology? We know your answers. You are going to say that these are historical monuments. The present Independence Square used to be named after Lenin's Red Square. But did you see a 6-meter tall statue of Lenin in this square? Where is that statue now? Marx's bust with an enormous head used to stand solemnly in today's Amir Temur Square. Where is that monument to his head? According to you, they are historical monuments, are they not? [passage omitted]

Uzbekistan is currently using every effort to build the foundations of independence. You too have contributed to this process. Only the mad would deny this. However, it looks as if you have not completely abandoned Communist ideology and are pinning your hopes on a communist regime. [passage omitted]

During more than 70 years of Communist rule, Communist ideology did not take real root in Uzbekistan. Representatives of local nationalities did not start advocating Communist ideology. Certain leaders and petty leaders from local nationalities were executives, which meant no more than that they would carry out an order. That is why there is no national ground for setting up a communist party in Uzbekistan. These are not my words, but those of President Karimov. As there is no ground for setting up a communist party in Uzbekistan, there is no ground for setting up a Bolshevik state — a dictatorship. Knowing this, why are you clinging to the statues, busts, and monuments to organizers and advocates of Communist ideology, erected by certain people back then? Maybe you are awaiting instructions from above? Are you not able to take the initiative? I look forward to your reply to our questions. Yours sincerely, Makhkam Risqiyev.

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Azerbaijan

Azerbaijan: OSCE Official on Lack of Progress at Karabakh Talks

LD2902223996 Moscow INTERFAX in English 1740 GMT 29 Feb 96

[FBIS Transcribed Text] BAKU, Feb 29 (INTERFAX) — Valentin Lozinskiy, co-chairman of the OSCE Minsk conference on Nagorno-Karabakh from Russia, expressed the concern of mediators at the absence of any substantial progress at the negotiation on settling the Armenian-Azerbaijani conflict.

"The Minsk group (the working body of the Minsk conference) is not satisfied with the process of negotiations," he said during his meeting with head of Azerbaijan's Foreign Ministry Gasan Gasanov in Baku Thursday.

Co-chairman of the Minsk conference from Finland Heikko Talvitie and representatives of co-chairmen Rene Niberg (Finland) and Vladimir Kazimirov (Russia) attended the meeting along with Lozinskiy.

The achievement of peace in this region "depends upon the wishes of the parties, upon their readiness for compromises," Lozinskiy said.

To this effect Lozinskiy said that "in making compromises, Azerbaijan cannot move further than its national interests permit."

Baku cannot agree to the formula in line with which the winner of the conflict must dictate conditions of peace, he said. "Azerbaijan is ready to negotiate only on the principles of international law, in particular, within the United Nations and OSCE," Lozinskiy said.

A successful search for ways toward a settlement depends not only upon the conflicting parties but upon the world community and international organizations, Gasanov said. "We are working not only for our own sake but also to ensure European security, in order to prevent the spread of this conflict outside this region," Gasanov said.

The next round of the Armenian-Azerbaijani negotiations will be held March 25-30 in Moscow, mediators said.

Azerbaijani President Geydar Aliyev is scheduled to meet with the acting chairman of the OSCE, Switzerland's Foreign Minister Flavio Cotti, on the evening of February 29. They will focus their attention on settling the Nagorono-Karabakh conflict.

Azerbaijan: Washington Proposes Plan for Karabakh Settlement

LD2902231896 Moscow INTERFAX in English 1859 GMT 29 Feb 96

[FBIS Transcribed Text] BAKU, Feb 29 (Interfax) — The United States has proposed a variant for solving the on-going conflict in Azerbaijan's Nagorno-Karabakh conflict which provides only for the liberation of Azerbaijani regions nearby Nagorno-Karabakh occupied by Armenian forces, namely the Kelbadjar, Kubatly, Agdam, Lachinsk, Zangelan, Dzhebrail, and Fizuli regions, a well informed diplomatic source in Baku told Interfax. He made his comments based on results of a visit by American representative of the OSCE [Organization for Security and Conference in Europe] Minsk group on Nagorno-Karabakh Joseph Pressel, who presented an American plan of settlement.

According to the source, the plan proposes to withdraw Armenian units to the territory of Nagorno-Karabakh, which will be granted "a higher status than in the times of the USSR. The matter concerns the status of an autonomous state within Azerbaijan with its own government, parliament, armed forces, court, etc," he said.

The city of Shusha, situated on Karabakh territory not far from Stepanakert, would be under jurisdiction of Nagorno-Karabakh, though Baku persists in its liberation.

The city of Lachin, sited on the single road linking Karabakh and Armenia, will be "liberated conditionally," the source said. "The city is likely to stay under control of international peacekeeping forces," he said. "The Americans propose to make liberation of Lachin by the Armenian party dependent upon guarantees of safe functioning of the road between Karabakh and Armenia," the diplomat said.

Meanwhile, chairman of the opposition Azerbaijan's National Independence party Etibar Mamedov told Interfax Thursday that the American plan is unacceptable for the republic because it does not recognize its territorial integrity.

Joseph Pressel and leaders of three major Azerbaijani opposition parties, National Independence, Popular Front and Musavat, discussed America's proposals at their meeting in Baku Tuesday, the diplomat said.

"The conditions proposed by the United States are humiliating for Azerbaijan," Mamedov said. Signing of a peace agreement on such conditions would mean capitulation for Azerbaijan, he said.

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Azerbaijan: Gasanov: Compromises Necessary To Settle Karabakh Conflict

LD2902130296 Moscow ITAR-TASS in English 1053 GMT 29 Feb 96

[By Sevindzh Abdullayeva and Viktor Shulman]

[FBIS Transcribed Text] BAKU, February 29 (ITAR-TASS) — Compromises are necessary from both sides to settle the Karabakh conflict, Azerbaijan Foreign Minister Gasan Gasanov said here on Thursday [29 February].

However, they should not infringe upon national interests, he stressed today at a meeting with the Russian and Finnish co-chairmen of the Minsk group of the Organisation for Security and Cooperation in Europe [OSCE] on Nagorno-Karabakh.

The co-chairmen arrived in Baku late on Wednesday evening, on the eve of a visit to the Azeri capital by the OSCE chairman, Swiss Foreign Minister Flavio Cotti, who arrives here on Thursday.

Speaking of the role of mediators, the Azeri minister stressed that they should act in strict compliance with the U.N. Charter and OSCE principles. Approaches to the negotiating process should be precisely of this type, he claimed.

Finnish co-chairman of the OSCE Minsk group Heikki Talvitie described as positive the last two rounds of talks between the two sides. This inspires some hope that a serious breakthrough in a settlement will take place in the near future, he noted.

Russian co-chairman Valentin Lozinskiy is dissatisfied with progress of negotiations. In the Russian mediator's opinion, the examination of specific issues of a settlement is dragging feet, while the sides should pave grounds for important decisions to be taken by the Azeri and Armenian presidents.

He noted that Russia took several actions in this direction in the recent past. This is, above all, a recent visit by Russian First Deputy Foreign Minister Boris Pastukhov to the region.

Azerbaijan: Implications of Iranian Role in Oil Project Viewed

NC2902144896 Baku TURAN in English 0915 GMT 29 Feb 96

[FBIS Transcribed Text] Baku/29.02.96/TURAN— Yesterday President Aliyev received vice-president of French oil company Total, Ait Said, and the representative of Total in Russia, Michel Lebedev.

Vice-president of Total Mr. Said said his company intends to actively work in Azerbaijan. He has made a very interesting statement. "Total actively cooperates with Iran and we have concluded large contract with this country. Total is the only western company, which has privileged relations with Iran. Before our visit to Baku Iran's representatives have made request to discuss the possibility of joint works on the Caspian in Baku. We speak about joint work of Total and Iran's State Oil company in the Azeri section of the Caspian.

We are informed about what happened around Shahdeniz deposit and we think that the resolution to this issue must be adopted as soon as possible. We are ready to contribute to implementation of the project", Mr. Said noted.

President Aliyev said he positively assesses the experience of activities between Total and Iran. "We are ready to joint work and I think we will achieve agreement to this effect", President Aliyev stressed.

If Iran joins the consortium for development of Shah-Deniz, it will be anti-American step from Baku's side, independent experts in Azerbaijan believe. Iran's participation in this project becomes real and during the forthcoming visit of Iran's Foreign Affairs Minister Velayati to Baku from March 2 to 3 the issue on Shahdeniz will be the key one in the negotiations.

Shahdeniz deposit is located 120 kilometres to the south of the Apsheron peninsula.

The cost of the contract for development of the shelf deposit is $4 billion. The recovered reserves are estimated at 400 billion cubic metres of gas, 200 million tons of gas condensate and 100 million tons of oil. Azerbaijan has preserved the right to 40 percent share in the project. 60 percent share will have BP (25 percent), Statoil (20 percent) and TPAO (15 percent). Russian LUKoil company pretends to have 20-30 percent from the Azeri share.

Georgia

Georgia: Foreign Minister Lays Claim To Part of Black Sea Fleet

LD2902194196 Tbilisi BGI in Russian 1504 GMT 29 Feb 96

[FBIS Translated Excerpt] Georgian Foreign Minister Irakli Menagharishvili held a news conference today. The recent meetings with Georgian ambassadors in foreign countries were the topic of the news conference. [passage omitted]

Menagharishvili particularly indicated a meeting of the ambassadors with Georgian President Eduard Shevardnadze, which was attended virtually by all the Georgian

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ministers and members of parliament. Various aspects of diplomatic activities were discussed at the meeting. Eduard Shevardnadze emphasized that the principal direction of the Georgian foreign policy was the establishment of good relations with all countries and especially with Russia. The president said that conditions were ready to settle the Georgian- Ossetian conflict that had resulted from the activities of certain irresponsible politicians. As for the Abkhazian conflict, everything possible should be done to expedite its settlement.

Gela Charkviani, the head of the Foreign Relations Department of the Georgian State Chancellery, informed the journalists about the president's initiative for the establishment of peace in the Caucasus, which he had aired during his meeting with the ambassadors, and read its' synopsis: The restoration of Georgia's borders in compliance with the norms of international law; a collective condemnation of the initiators of conflicts; the protection of human rights everywhere and all the time; the protection of the transport and other means of communication; cooperation in environmental protection and assistance during natural calamities; tolerance and condemnation of ethnic extremism, and comprehensive support for and promotion of projects in the Caucasus. [passage omitted]

Then, Irakli Menagharishvili answered questions.

[Correspondent] You have said that Georgia is eligible to receive a part of the Black Sea Fleet. Meanwhile, according to Defense Minister Vardiko Nadibaidze, this issue is not supposed to be discussed at all... [agency ellipses]

[Menagharishvili] Our demands are lawful and they remain in force. As far as the defense minister's comments are concerned, when an issue is discussed by the public, everyone expresses his opinion.

[Correspondent] Is it not late to bring up the issue?

[Menagharishvili] We were unable to bring up the issue a year ago because the republic faced lots of hard problems, in particular, the crime situation was rather grave.

[Correspondent] How will the funding of Georgian embassies be resolved?

[Menagharishvili] Funding our embassies was and still is a problem. Georgia is not able to maintain its diplomatic service at the level of civilized states. Hence, the awkward situations our diplomats sometimes find themselves in. The president has instructed the Finance Ministry to settle this problem somehow.

Georgia: Tbilisi Begins Preparations for Caucasian Peace Pact

LD2902205196 Moscow ITAR-TASS in English 1855 GMT 29 Feb 96

[By Tengiz Pachkoriya]

[FBIS Transcribed Text] TBILISI, February 29 (ITAR-TASS) — Georgian Foreign Minister Iraklii Mengarishvili on Thursday said the ministry started up preparations for signing an all-Caucasian peace pact by all concerned states. As potential parties to the pact, the minister listed Russia, Georgia, Armenia, Azerbaijan, Iran, and Turkey.

Menagarishvili said that the treaty will in no way aim against interests of any nation or nations as it will be drawn and signed to promote peace process in the region.

President Eduard Shevardnadze voiced up the Peaceful Caucasus pact initiative at Wednesday's meeting with Georgian envoys to foreign states which was held in Tbilisi.

Shevardnadze said some of the measures which would help achieve regional reconciliation include restoring internationally recognized state borders, ruling out any territorial claims, and preventing potential conflicts via pooled efforts of party states.

Georgia: Shevardnadze Gives Main Principles of Regional Peace Pact

LD2902233996 Moscow INTERFAX in English 1926 GMT 29 Feb 96

[From the "Presidential Bulletin" feature]

[FBIS Transcribed Text] President Eduard Shevardnadze at a meeting with Georgian ambassadors on Wednesday [28 February] said regional stability and the creation of lasting security guarantees in the Caucasus was one of the main factors ensuring the country's security and prosperity.

He said the Caucasus was the zone of Georgia's existence and its vital interests. The Georgian leader expressed regret that the region had again been turned into an area of violence, confrontation, xenophobia, nationalism and separatism. He said now was the time for regional states including Russia, Turkey and Iran to think together about the peaceful future of the region.

The president offered a regional peace pact, called Peaceful Caucasus, as a guarantor of peaceful coexistence in the region. It comprises five main principles which Shevardnadze called "universal."

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1. The reinstatement of internationally recognized frontiers, with any territorial claims being ruled out afterwards. Any renewed conflict is to lead to an immediate condemnation followed by concerted effort at ending it.

2. Overall respect for human rights is a must if the lasting peace and stability is to be maintained.

3. Protection of transport routes and other communications and a full rejection of any attempt to block them. Any attack on communications must be seen as a criminal act spearheaded against regional prosperity.

4. Cooperation in environment protection and the removal of the after effects of calamities.

5. Ethnic and religious tolerance. A joint condemnation of rabid nationalism and xenophobia.

Shevardnadze said almost all regional leaders he met had agreed with his position.

He stressed that the signing of his peace pact would be tantamount to a determination by the regional states to undertake commitment to end once and for all with any confrontation in the Caucasus and turn it into an area of peace and prosperity instead.

He announced plans of meeting the Armenian and Azeri leaders soon as well as Presidents of Russia and Turkey Boris Yeltsin and Suleyman Demirel.

Shevardnadze's spokesman Vakhtang Abashidze commenting on Georgia's peace plan said he had no doubt it would find a positive response in regional countries as well as Russia, Turkey and Iran and all countries wanting to see renewed stability in the region.

He said the latest peace plan should take clearer outlines after Shevardnadze meetings with those leaders.

Abashidze said the idea was long overdue being prompted by the realities of today while the extent of its success would be determined by political and economic interests by the regional states. He said it made no sense to speak in terms of the region's development prospects as it was being torn apart by conflicts and high tensions.

Georgia: Shevardnadze Receives Letter From Lukashenka on Abkhazia

LD2902184696 Tbilisi IBERIA in Georgian 1600 GMT 29 Feb 96

[FBIS Translated Text] Tbilisi, 29 Feb — An IBERIA correspondent has been told at the Georgian president's apparatus that Eduard Shevardnadze received a letter from Belarusian President Alyaksandr Lukashenka today. In his letter, Lukashenka unequivocally supports Georgia's territorial integrity and says that Abkhazia is an integral part of Georgia. The letter is remarkable because the Belarusian president did not support a Georgian initiative to impose an economic blockade on Abkhazia, voiced at the CIS Moscow summit on 19 January.

Georgia: Ardzinba Threatens Military Actions if Peacekeepers Leave

LD2902130996 Tbilisi SAKINFORM in Russian 1025 GMT 29 Feb 96

[FBIS Translated Text] Vladislav Ardzinba, leader of the Abkhaz separatist regime, told journalists at a news conference in Sukhumi that the withdrawal of the Russian peacekeeping forces from the conflict zone in Abkhazia will mean "death for Georgia." If this happens, Ardzinba said, Abkhazia will be forced to start military actions which will not be confined within Abkhazia only but will have to spread out in Georgia's rayons neighboring Abkhazia.

Ardzinba expressed confidence in a successful end of "the war against Georgia," as — in his opinion — "the mountainous peoples of the Caucasus will help Abkhazia to retain its independence."

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Estonia

Estonia: Meri Receives Yeltsin Letter on Orthodox Church

LD2902212296 Tallinn Estonian Television Network in Estonian 1900 GMT 29 Feb 96

[FBIS Translated Text] Russian Ambassador Aleksandr Trofimov today handed to President Lennart Meri a letter from Russian President Boris Yeltsin. It expresses concern over matters dealing with the Orthodox church. President Meri explained to the ambassador that the Estonian Constitution guarantees that there will be a human and judicial solution to the church conflict. According to the president, human rights, including freedom of religion, must not become a political weapon or means of propaganda.

Estonia: ORTV Reports Split Over Russian Orthodox Property Ownership

LD2902163996 Moscow Russian Public Television First Channel Network in Russian 1200 GMT 29 Feb 96

[Correspondent Kheymar Lenk video report from Tallinn; from the "Novosti" newscast]

[FBIS Translated Text] According to recent reports, a split in the Estonian Orthodox Church may also lead to interethnic conflicts. The Holy Synod of the Russian Orthodox Church has recently described the actions of the Estonian Government aimed to oust Russian-speaking Orthodox believers out of Estonia as a crying example of a breach of such underlying principles of democracy as human rights and religious freedoms. The Estonian-speaking Orthodox population of Estonia secured support of the patriarch of Constantinople. This, in its turn, has provoked a harsh and negative reaction of the Moscow Patriarchate.

[Correspondent Lenk] The Estonian Orthodox Church has been on the front pages of Tallinn newspapers for a year. After an envoy from Constantinople visited the republic and handed over a missive from Patriarch Bartholomew, it became obvious that the church had split in two parts: one is now in canonical subordination to Constantinople; the other part, which has a greater number of parishioners, is subordinated to Moscow Patriarchate.

Who will belong to the Russian churches and the prayer houses, mostly built by the Russians with the funds contributed by believers themselves, newspapers are asking more and more often. The issue of the property will be tackled in strict accordance with Estonian laws, answers the prime minister.

This means that the ownership of all lands, churches, and the Pyukhtitsa Convent will be now be officially transferred to the officially registered Estonian Apostolic Orthodox Church, and that the Estonian-speaking section of the Orthodox Church, which is subordinated to the patriarch of Constantinople, will now own the Russian churches.

Estonia: Estonian-Russian Border Negotiator on Mutual Interests

LD0103120196 Tallinn Radio Tallinn Network in Estonian 1000 GMT 1 Mar 96

[FBIS Translated Excerpt] This morning [1 March] the Estonian-Russian border talks delegation returned from Moscow. Anne Osvet went to Balti station to meet their train.

[Osvet] [passage omitted] I asked Raul Malk, the delegation leader and deputy chancellor of the Ministry of Foreign Affairs, for a brief comment.

[Begin Malk recording] [passage omitted] If one looks at the issues of substance one could say that on the political and legal issues, as we call them, such as the issue of the [1920] Tartu Peace [Treaty] and agreement on the border on dry land, some new ideas were put forward by both parties. It would be an obvious exaggeration to say that we achieved a breakthrough or that one is in sight. [passage omitted] The Russian side, as is known, previously were interested in about 13.5 square km of lake area; now it is talking about 6.5. The Estonian position has been altered correspondingly: previously we discussed 9.5 [square km], while now we are talking about nearly 5 [square km]. [passage omitted]

I think that some progress was made but whether it was a step or a leap, I will leave to history to decide. [passage omitted]

The Russian side's ideas are to do with lake areas — their interests are to do with shipping - which is Lammijarv [narrowest part in Lake Peipus] and Vasknarva [northern tip of same lake]. Our problems are, well, it is known, this well-known loop at Saatse and some other places on dry land which are of interest to us. These are all in Petserimaa [Estonian name for land that belonged to Estonia before 1945 and is now part of Russian Federation] because, well, with the Narva river both parties have understood for some time already that there is not much one can do about the river since it acts as a natural border. [passage omitted] [end recording]

[Osvet] The next round of Estonian-Russian border talks is scheduled for 27 and 28 March in Tallinn.

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